

Mortgage Advertising & Marketing Guidelines



CITADEL
SERVICING CORPORATION

For internal use only

Introduction

Advertising and marketing are integral parts of connecting with customers and promoting CSC's success. However, it is important that all advertising and marketing messaging is carried out lawfully.

In this presentation we will discuss how to:

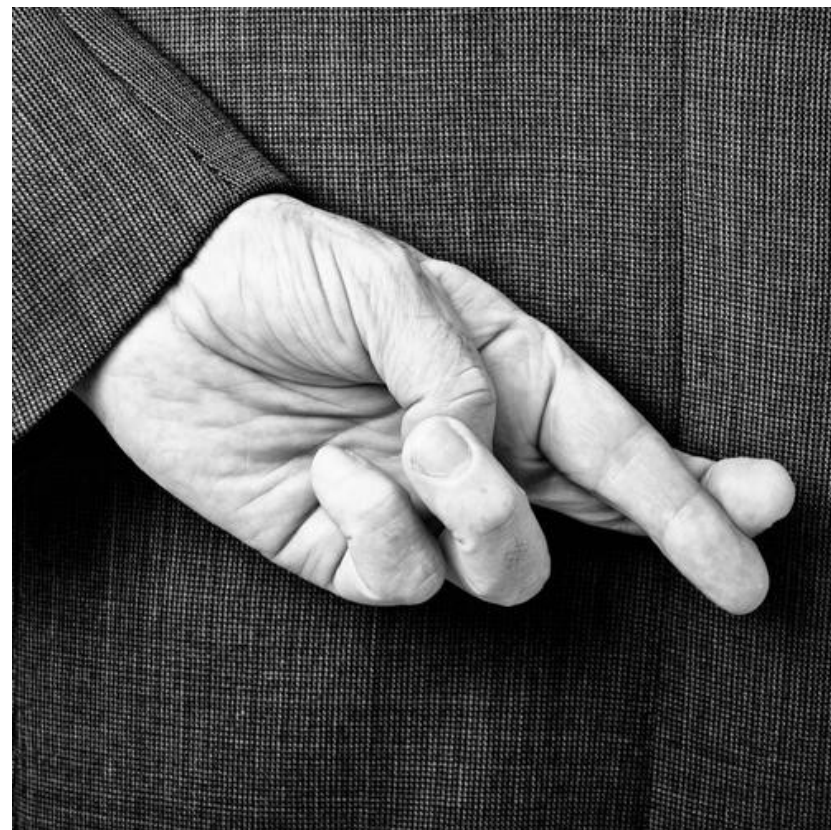
- Ensure that all messaging is truthful and not misleading.
- Create materials without infringing on third-party intellectual property rights.
- Protect CSC's intellectual property rights.
- Carry out campaigns and promotions lawfully.



The Advertising Message & Truthful Representation

All Claims Must Be Truthful

In all advertising, marketing, and promotional materials, in any medium, all claims must be **truthful** and **cannot be deceptive** or **unfair**.



Truthful Representation: Deceptive Ads

Cheat death.

The antioxidant power of
pomegranate juice:



Advertisements are **deceptive** if they:

- Contain a **false statement**.
- **Omit** material information.
- **Mislead** reasonable consumers.

Two Golden Rules

Two rules of advertising law apply to **all** claims made in advertising in **any media**:

- There must be a **reasonable basis** to **substantiate** claims made in any advertisement prior to disseminating the advertisement.
- If disclosure is required to prevent an ad from being misleading, the disclosures must be **clear and conspicuous**.



Substantiation

The requirement to substantiate all claims in ads applies to both **express claims** (what the ad actually says) and **implied claims** (what a reasonable consumer might infer from the ad).

If CSC cannot support every reasonable interpretation, the ad requires changes to either eliminate the unsubstantiated claims or add disclosures to prevent it from being misleading.

Substantiation - Trigger Terms



“Trigger terms” - mortgage industry terms that require more disclosures when used in an advertisement.

- Common examples when advertising rate or payment terms:
 - The amount or percentage of any down payment;
 - The number of payments or period of repayment; or
 - The amount of any payment.

Clear and Conspicuous Disclosure

Disclosures in advertisements should be clear, conspicuous, and comply with the laws of every jurisdiction where the advertisement will run. State laws may have specific disclosure requirements for ads related to:

- Certain products
- Payment forms
- Pricing practices



Clear and Conspicuous Disclosure

The disclosures in this ad are **not** clear and conspicuous because they both use text that contrasts poorly with the background of the page.

The screenshot shows a website for 'FROST-A-TRON' with the tagline 'so fresh & cool'. The navigation bar includes 'Home', 'Order Now', 'FAQ', and 'Reviews'. The main content area features a blue cooler on the left and text on the right. A red circle highlights the price '\$129' and the text 'Only \$129, plus shipping & handling'. Another red circle highlights the fine print: 'Frost-a-tron may not keep perishable food items cold enough to prevent the growth of bacteria when the temperature is over 60°F, such as in a hot car. Use in these conditions could lead to food-borne illness.' A third red circle highlights the text 'Satisfaction is guaranteed. Restocking fee applies to all returns.' The bottom right corner shows a promotional offer: 'Buy now and get 2 for just \$199.99!'.

- Fine print at bottom of a page is not a valid disclaimer

Clear and Conspicuous *Disclaimer*



- Use the following general disclaimer:
 - *“Rates, terms, and programs are subject to change without notice. Offer of credit subject to credit approval per applicable underwriting and program guidelines, applicant eligibility and market conditions. Not all applicants may qualify. Citadel Servicing Corporation is an equal opportunity lender. Not valid in the following states: AK, HI, IO, MA, MS, MO, NM, NY, ND, OH, RI, SD, and WV.”*



S.A.F.E. Mortgage Licensing Act (Reg. H)

- S.A.F.E Act requires the following information on advertisements:

1. The full legal name of the company
2. A full, physical business address
3. The business phone number
4. The NMLS ID of the company
5. The name of the mortgage loan originator as it appears on the NMLS website (*for Retail Only*)
6. The NMLS ID of the mortgage loan originator for each state where the LO is licensed (*for Retail Only*)
7. The equal housing logo



Secure and Fair
Enforcement Act

S.A.F.E.



Protecting Intellectual Property Rights

When creating materials to use in advertising and marketing we must ensure that they:

- Adequately protect Citadel Servicing Corporation IP rights.
 - Use proper CSC trademark symbols (e.g. use of ® trademark symbol with logo; "TM" to identify products or products and services; and "SM" to identify just services.)
- Adhere to CSC's brand standards.
 - Color.
 - Typeface.
 - Size.
 - Appearance of graphic elements.
 - Background.
- Do not violate any **third-party** IP rights.
 - law prohibits the unauthorized use of a person's name, likeness, or other recognizable attributes of their persona
- Get approval from Legal & Compliance



Email & Social Media Marketing



Email and social media communications to market and promote CSC's products must comply with various consumer protection laws.

Email Marketing

Email messages must:

- Clearly identify themselves as ads.
- Clearly identify CSC as the sender.
- Not include false or misleading header information.
- Use accurate subject and from lines.
- Include CSC's physical address.
- **Give clear opt-out instructions.**



IMAP
POP3



iCloud



Hotmail



Outlook.com

Using Social Media



It is important for Citadel Servicing Corporation to speak with one unified voice over social media. Limiting the use of CSC's logos and trademarks to CSC authorized social media communications can help readers and viewers understand when someone is officially speaking on behalf of the company.

Only authorized spokespersons should use CSC's social media accounts to promote the Company and its brands.

Social Media: Protect Customers, Suppliers, Business Associates, and Investors

Do not cite or refer to CSC's customers, vendors, business associates, or investors, or:

- Identify them by name.
- Reveal any confidential information related to them.
- Discuss or conduct business with a customer, supplier, business associate, or investor in an online forum.

For example:

- "Thanks, [CLIENT NAME]! So glad the deal closed!"
- "Glad to have my weekends back! #[CLIENTNAME]"

Social Media: Do Not Disclose CSC's Confidential Information or Trade Secrets

- Be thoughtful about what you post: disclosing or commenting on Citadel Servicing Corporation's confidential business information is strictly prohibited.
- Inadvertently posting confidential information or trade secrets may cause the company or its clients to lose valuable trade secret protection.
- Do not post or make disparaging comments about anyone, including colleagues, customers, competitors.



Social Media: User-Generated Content

CSC may be put at risk if consumers post content to sites and social media accounts it operates if the content:

- Violates a third party's copyrights (or other intellectual property rights).
- Includes false advertising claims.
- Includes defamatory statements.
- Violates a third party's publicity or privacy rights.
- Is harassing, discriminatory, or obscene.
- Is related to or references an age restricted product like tobacco or alcohol.

Social Media: User-Generated Content

For all contests or promotions on social media that involve or solicit user-generated content, work with the **legal department** to create comprehensive **site terms** and **contest rules** that:

- Require consumers to submit **original content only**.
- Tell consumers not to make **false claims** about Citadel Servicing Corporation products or those of CSC's **competitors**.
- Ensure that **consent** to use (and re-use) consumers' uploaded content is obtained.

Social Media: Specific Platform Requirements

Many popular social media platforms have rules and guidelines that apply to promotions. For example:

- Twitter
- Facebook
- Pinterest
- Snapchat



Before running a promotion on any third-party platform, contact the Legal Department to ensure that the promotion does not violate the platform's specific guidelines.

Why Does it Matter?



False or **misleading** advertising is illegal.

The Federal Trade Commission (FTC) considers sponsored endorsements and testimonials made by consumers, influencers, celebrities, and other similar third parties to be false advertising if:

- The advertiser fails to disclose the **material connection** to its endorser.
- A **false claim** is made in the sponsored endorsement or testimonial.

Why Does It Matter?

Advertisers may be liable even if they did not authorize, approve, or use the sponsored endorsement or testimonial made on social media.

For example, an advertiser asks a blogger to try its new lotion and gives the blogger free product. The advertiser does not make any claims about, or have substantiation for, the lotion's ability to cure skin conditions, but the blogger writes that the lotion cures eczema. The advertiser may be liable for the misleading representations made by the blogger's endorsement because the blogger had a material connection to the sponsor (by receiving free product).

Rights Clearance

**PRIOR
APPROVAL
REQUIRED**

All advertising, marketing, and promotional materials that Citadel Servicing Corporation creates must be cleared for use to ensure that we are not infringing on any IP rights and personal rights of third parties. This process is called **rights clearance**.

Requesting Marketing Materials

Marketing Material Request Form (available on Cintranet under the Resources tab)



Marketing Material Request Form

This form is to be used by all Citadel Servicing Corporation ("CSC") employees to request development of any and all advertising, marketing, or promotional materials, including on materials posted to social media. CSC employees are NOT to issue, produce, post, or in any way distribute marketing materials that have not been approved in advance by the Marketing, Legal and Compliance Departments.

All fields on this form should be filled out as much as possible. A completed form with any supporting documents should be submitted via email to: marketing@citadelservicing.com. Please allow for a turnaround time of 10-12 business days when requesting marketing materials. You may be contacted by a member of the Marketing Department regarding your request.

Contact Information

Department Name: _____

Requestors Name: _____

Email: _____

Phone Number: _____

Date: _____

Project Specifications

This is a(n):

- ☐ New project
- ☐ Update on project name: _____

Type of project*:

If requesting multiple pieces, select all that apply.

- ☐ Flyer
- ☐ Mailer piece
- ☐ Video
- ☐ Print Advertisement
- ☐ Webpage Post
- ☐ Social Media Post
- ☐ Other: _____

Marketing Material Request Form
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Target Audience*:

- ☐ Brokers
- ☐ Correspondents
- ☐ Potential Borrowers
- ☐ Current Borrowers
- ☐ General Public
- ☐ Other: _____

Relevant Information:

Include any relevant background information.

Message:

What is the focus of the advertisement?

Additional Specifications:

Estimated Quantity*: _____

Requested Due Date: _____

States materials will be distributed in*:

Dates that the materials will be in circulation*:

* = This field must be filled out prior to submission.

Marketing Material Request Form
For Internal Purposes Only

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Marketing Material Review Process

CSC staff seeking approval for any and all marketing material must submit a completed Marketing Materials Request form to: marketing@citadelservicing.com

Marketing will review the request and ensure compliance with all applicable laws

Marketing will generate a response within 10-12 business days after submission

Review - Checklists

Follow the Checklists When Wanting To Submit Advertising For Review

- ☐ PRE-APPROVAL from Legal and Compliance
- ☐ SUBMIT a complete Marketing Request form to the Marketing Dept.
- ☐ SAVE all versions of any approved advertising
- ☐ QUESTIONS – Ask Legal, Compliance, or Marketing



Items Legal and Compliance Look For In Our Advertisements:

- ☐ Terms are truthful, not deceptive, false, or misleading
 - ☐ Substantiates all claims, express or implied
 - ☐ Explains Trigger Terms
- ☐ Clear & Conspicuous
 - ☐ Complies with local and state laws
 - ☐ Contains the necessary disclosures / disclaimers
- ☐ Complies with the S.A.F.E. Act
- ☐ Complies with CSC's Social Media Policy
 - ☐ Authorized to speak on behalf of CSC
 - ☐ Does not harass, mock or disparage anyone
 - ☐ Protects CSC and 3rd Party's confidential info & intellectual property
- ☐ Any E-mail's contain an opt out notice

Any Questions?





Thank you and have a great day!

