

THE
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Facebook to Limit Demographic Targeting by Advertisers

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According to a [Wall Street Journal report](#), Facebook has agreed to remove age, gender, and zip code targeting for housing, employment, and credit-related advertisements as part of a settlement of a lawsuit filed by the National Fair Housing Alliance, the Communications Workers of America, and other plaintiffs.

While Facebook reportedly did not permit advertisers to target specifically by race, it did allow advertisers to use “ethnic affinity” criteria. Facebook is reported to also be placing other restrictions on advertisers. For example, geographic targets will need to have a minimum 15-mile radius from any specific address or city center and the “Lookalike Audience” tool, which lets advertisers try to find Facebook users who resemble customers they already know, will not incorporate factors such as age, religious views, or Facebook Group membership.

While it is highly debatable whether the Equal Credit Opportunity Act or other fair lending laws apply to social media advertising of this nature, regulators take the position that they do, and they sometimes explore these issues in examinations. It therefore is critically important for companies to be mindful of fair lending risk when formulating their social media and other advertising plans.

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