

MISMO Considerations for ERER Task Force

MISMO (Mortgage Industry Standards Maintenance Organization)

- o Developing e-commerce standards (principally XML-based) for the mortgage industry
- o MISMO is comprised of several workgroups. Each workgroup develops standards for a single business process area within the mortgage industry.
 - Workgroups include Origination, Secondary, Servicing, Credit Reporting, Flood, Hazard Insurance, and many others.
 - Each workgroup develops three main products for standards:
 - LDD (Logical Data Dictionary)
 - XML DTDs
 - Implementation guide

eMortgage Workgroup

- o The eMortgage workgroup is developing a "**framework**" for implementing electronic mortgage documents.
- o The primary eMortgage specifications are the SMART Document specification and the ePackaging specification.
 - The SMART Document specification defines a "standard for the representation of mortgage documents in electronic format."
 - The ePackaging specification defines a "mechanism to collect a set of SMART Documents or encoded embedded files for exchange between two trading partners."

SMART Document

- A SMART Document includes both the data for and the visual representation of (e.g., an image file) a document.
- The SMART Document specification supports several different types of mortgage documents, not just a "mortgage." The list of document types includes Note, Addendum, Security Instrument, Assignment, and many others.
- The SMART Document specification defines a single data section that contains all of the possible data for all of the different types of mortgage documents that it supports.
 - o SMART Document specification does not currently enforce document-specific constraints such as required elements and attributes.
 - o Include files are available per process area to address specific types of documents, such as Mortgage.
- Version 2.0 of the Smart Doc is available today in DTD format which can be converted to schema.
- Version 3.0 will be released in Schema format in early 2004 (This schema format does not include data types or business rules).
- The timeframe for version 3.x of Schemas which includes datatypes is targeted for June, 2004.

Summary

The MISMO eMortgage standard and the SMART Document specification are not an "out of the box" fit for the Minnesota ERERTF mortgage standard. Currently, MISMO DTD's can be converted to schema, but the converted document does not contain any of the MN business rules, logic or data types that are prevalent per the existing MN standards. Leveraging the eMortgage data dictionary and DTD or Schema for the Minnesota standard makes sense and should speed up the development of the Minnesota standard while keeping it more inline with industry standards.