Mortgage and Real Estate Data Standards - MISMO

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Uniform Mortgage Data Program

- The Federal Housing Finance Agency (FHFA) announced that under its direction Fannie Mae and Freddie Mac are working together to implement uniform appraisal and loan delivery data standards.

- Our common approach for the uniform data standards will minimize implementation differences for lenders and vendors and will:

  - Create operational efficiency that simplifies the exchange of data and improves response to changing requirements and market conditions.

  - Strengthen our respective risk management capabilities.

  - Improve transparency and confidence in the loan decision by using the same root data in our processes that lenders use in their processes.

  - Improve data accuracy and confidence in loan quality.

  - Identify areas where common standards support greater data consistency while maintaining each GSE's ability to independently set credit and pricing policies and business terms.

Uniform Mortgage Data Program

- Freddie Mac and Fannie Mae are implementing a consistent set of required effective dates and will provide a common set of supporting documentation to ensure a streamlined transition.

- Freddie Mac and Fannie Mae will each have proprietary implementation requirements that reflect our individual businesses, systems, and operational processes.

- Freddie Mac and Fannie Mae will each continue to develop and apply individual and separate credit risk policy, analytics, and independent assessments of what the data means to loan performance and quality.

Uniform Mortgage Data Program

- The **MISMO** Standard is the foundation from which the Uniform Loan Delivery dataset was created. The Uniform Loan Delivery Dataset is comprised of a subset of the MISMO Logical Data Dictionary and Reference Model.

- The **Uniform Loan Delivery Data Specification** is a jointly published guide that:

  ➢ Defines and documents a common usage of the MISMO 3.0 Reference Model for GSE loan delivery; and

  ➢ Provides the necessary details for industry participants to understand the scope of the loan delivery data requirements and begin assessing their implementation needs and resources.

Mortgage Industry Standards Maintenance Organization - MISMO

- Dedicated to the development, maintenance, and promotion of data standards for both the Residential and Commercial Real Estate Finance Industry.

- Support improved data quality, which in turn reduces processing costs, increases transparency, and ultimately boosts investor confidence in mortgages and real estate as asset classes.

- Enable mortgage-related information to be exchanged between borrowers, lenders, service providers, investors, and servicers more efficiently and economically.

- Develop a comprehensive, consistent and repeatable framework of common data elements that facilitates innovation in services and technology.

MISMO Deliverables

- A Logical Data Dictionary (LDD) – contains business data needed to support industry with agreed upon names and definitions.

- A single Reference Model incorporating all LDD contents, published as XML schema.

- Implementation guidance on creating individual messages from the Reference Model.

- White papers on related technology standards.

- Engineering Guidelines for creating and maintaining the Reference Model.

MISMO – An Open Standard

- The standard is governed by a formalized, not-for-profit organization.

- The governance process provides stewardship and transparency, enabling trust in the data and facilitating interoperability between multiple constituents.

- Strict anti-trust and intellectual property policies are in place to ensure it is not encumbered by IP claims.

- There are no fees associated with the use of the standard.

- Discussion and participation is open to all via MISMO Workgroup listserves and meetings (over 2500 listserv individual participants).

Evolution of MISMO Standard

Version 2.x:

- Transaction oriented based on business process areas (Origination, Servicing, Credit, MI, Property Valuation, etc.).

- Each transaction set stood alone.

- Transactions shared a common Logical Data Dictionary (LDD).

- Most structures were unique to the individual transactions - 14 variations of Property definition.

- Structured as an attribute-centric XML DTD.

- Most data related via containment (limited use of pointing).

Evolution of MISMO Standard

Version 3.x:

- **Common Logical Data Dictionary is expanded:**

    - Single repository for all data points, business objects (containers), attributes, relationships (Arc Roles)

- **A common Reference Model is introduced:**

    - Organizes contents of LDD into containers with relationships of containers to one another in a single repository.

    - Resolved differences between process areas on structure.

- **Reference Model includes:**

    - All data points, containers, attributes, relationships from LDD

    - Messaging concepts of Request / Response

    - Embedded files, images SMART Document® representation
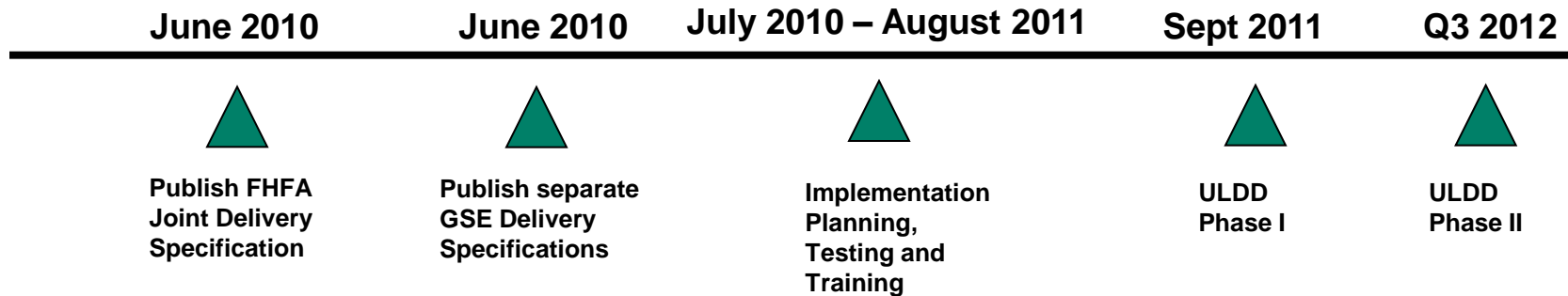
Uniform Loan Delivery Dataset

- Through our work on the **Uniform Loan Delivery Dataset**, we are establishing a common usage transaction format using MISMO for the majority of the loan delivery data points for single-family mortgage transactions submitted to each GSE for purchase. Working collaboratively, the GSEs have worked to ensure that:

  - The majority of the data points are aligned between the GSEs.
  - GSE dependence on special codes (aggregation) is eventually reduced through the collection of root data.
  - The GSE-specific fields are minimized.
  - As much as possible, initially required loan delivery data is confined to data that lender systems collect today.
  - Loan delivery data that will be required in the future is highlighted in order to give lender organizations as much time to implement as possible.

Uniform Loan Delivery Dataset

Transition

June 2010	June 2010	July 2010 – August 2011	Sept 2011	Q3 2012
▲	▲	▲	▲	▲
Publish FHFA Joint Delivery Specification	**Publish separate GSE Delivery Specifications**	**Implementation Planning, Testing and Training**	**ULDD Phase I**	**ULDD Phase II**

▪**June 8, 2010:** The Uniform Loan Delivery Data Specification for the Uniform Loan Delivery Dataset is published.

▪**June 28, 2010:** Freddie Mac and Fannie Mae will each publish an individual Implementation Guide for Loan Delivery Data to reflect each GSE's unique implementation and operational requirements.

▪**July 2010 – August 2011**: Implementation planning, testing, and training (detailed dates TBD)

▪**September 1, 2011:** All loans must be delivered to either GSE using the ULDD in the MISMO version 3.0 file format.

▪**Q3 2012:** All loans must be delivered to either GSE with the data points reserved for future use.

Uniform Loan Delivery Dataset

- The Uniform Mortgage Data Program is an ongoing effort supporting future changes in business needs.

- A governance structure will support a disciplined and sustainable process for future updates and enhancements to the dataset.

- Data standards will continue to be enhanced over time.