MISMO® REFERENCE MODEL Version 3.4

Release Notes

INTRODUCTION

The MISMO® Residential Standards Governance Committee announces the Candidate Recommendation (CR) release of Version 3.4 of the MISMO Reference Model.

In response to feedback received on the prior 3.4 release during the 60-day public comment period, the Candidate Recommendation release adds minor content changes in the areas of Origination and Secondary. Most of these changes were driven by the issuance of the final HMDA rule by the Consumer Financial Protection Bureau (CFPB) and revisions to the upcoming Uniform Loan Application Dataset (ULAD).

MISMO Reference Model Version 3.4 primarily includes new data points and structures to support regulatory requirements and other business areas. Some changes to existing data points and structures are also included.

Version 3.4 contains some changes that are not compatible with previous releases. Compatibility may vary depending upon the particular business scenario. For business scenarios in which either no Reference Model changes were made, or all changes were additive in nature, existing technical solutions may require little or no change. As with all new releases of the standards, operational, business and technical reviews are recommended prior to implementation.

WHAT VERSION 3.4 CONTAINS

Version 3.4 of the MISMO Reference Model includes enhancements specific to:

- GSEs Uniform Loan Application Dataset (ULAD)
- CFPB's Home Mortgage Disclosure Act (HMDA) Rule
- Evidence of compliance with the CFPB's National Servicing Rule
- Fee Types in support of TILA-RESPA Integrated Disclosures (TRID) (also known as *Know Before You Owe*)
- HUD Document Types
- GSEs Uniform Closing Dataset (UCD)
- Credit reporting liability trending data and credit score category version information

For a complete listing of updates available in Version 3.4, noted by the submitting MISMO Industry Workgroup, please see below:

Credit Reporting Workgroup

- Model was updated to include new Credit Score Categories - FICO4 and FICO8. As the Repositories update the Credit Score Models it is important for MISMO users to be able to distinguish the different FICO scoring models from one another.
- Credit Liability data structures were enhanced to include historical liability data newly available from the credit bureaus. The types of information available include past monthly balances, payment amount due, actual payment amount, comments/remarks, etc.
- Credit Reporting Implementation Guide (I-Guide) provides guidance for implementing the Credit Reporting transactions beginning with V3.3 and including the latest version 3.4. Sample XML files are also provided in a separate zip file.

eMortgage Workgroup

- New data points for eRecording use cases were added specific to the Property Records Industry Association (PRIA) request and response message types; PRIA notes/comments in messages; and a unique code representing a valid exemption defined by the recording jurisdiction.
- Deprecated recording error data points that are no longer necessary.
- Added Audit EventType included in the I-Guide for the tamper evident system signature.

CFPB National Servicing Rule Evidence of Compliance Development Workgroup

The MISMO Reference Model was enhanced to facilitate a company's ability to capture, exchange and communicate information between parties that demonstrates evidence of compliance (EOC) with the CFPBs' National Servicing Rules and related CFPB bulletins including customer correspondence and complaints. These new data points and structures may also be used to support company needs to demonstrate evidence of compliance for other non-servicing EOC requirements. The enhancements include creation of a set of compact, highly adaptable container and data structures which capture and document a communication event (COMMUNICATION_EVENT) and the subsequent communication efforts (SUPPORTING_RECORD_SETS) surrounding the event which can used to communicate and demonstrate EOC with the National Servicing Rules and other non-servicing EOC needs.

The foundational concept behind the EOC data structures is the "Compliance Conversational Message" which is analogous to an email message. As with an email, the structures have a message body which contains the particulars such as who (PARTIES), what (the issue(s) at hand), when (when was the inquiry made and on what dates certain actions happened) and how (what the organization did or is doing relative to a specific event issue). These constitute an event, something the Servicer or party needs to resolve according to either statutory standard or by appropriate Procedures and policies (PnP). An email can also include attachments (SUPPORTING_RECORD_SET) which evidences what was reviewed and used to arrive at how the issue (event) was resolved. As with email, the EOC information exchange can be a single message between PARTIES or it can involve multiple PARTIES with repeated messages back and forth, or escalations. With each escalation, the PARTY to the Message may request additional information "PROOF" which is a SUPPORTING_RECORD to satisfy their evidentiary and or due diligence needs.

An inherent business requirement for any "Compliance Conversational Message" is scalability along with message clarity and purpose that translates over time. For example, EOC messages within the context of the National Servicing Rules that address specific Codified errors such as "Late Payment of Escrow Fees" must remain a part of the record of that serviced loan for the LIFE of the LOAN. Thus, context and continuity must be maintained over time with every EOC information exchange, or message. This is true with any EOC message whether it arises from the National Servicing rules or from other requirements such as *Know Before You Owe* (TRID). The information exchange, or message, must mean the same thing many years down the road even after it has passed potentially through many hands via transfer of servicing and/or there have been regulation/regulatory

updates. These new MISMO EOC related structures are specifically designed to support context and continuity of the message over the life of the loan.

Mortgage Insurance Workgroup

- Mortgage Insurance data structures were updated to allow a customer to send a Pre-Qualification request.

Origination Workgroup

- **UCD**: Minor updates were completed in support of the Uniform Closing Disclosure (UCD) dataset developed by Fannie Mae and Freddie Mac (GSEs). The UCD was created by the GSEs at the request of their regulator, FHFA, in support of the CFPB TILA-RESPA Integrated Disclosures (TRID) or Know Before You Owe program Closing Disclosure requirements. The UCD also requires delivery of several additional data points. Lenders will be required to begin reporting UCD to the GSEs no earlier than Q2 2017.
- **URLA**: Updates to structures and data points in support of the new Uniform Residential Loan Application (URLA) form under joint development by the GSEs (Fannie Mae & Freddie Mac). The GSEs have indicated that they will require submission of a new reporting data set, the Uniform Loan Application Dataset (**ULAD**) that includes data points associated with the URLA in the future. The effective date for when reporting will be required has not yet been announced.
- **TRID**: Fee Type enumerations and definitions were corrected and enhanced. Fee Types are a key component of CFPB Closing Disclosure and Loan Estimate Disclosure requirements.
- **TRID**: Restructured and expanded IDENTIFIED SERVICE PROVIDER and CHANGED CIRCUMSTANCE containers and data points to meet CFPB requirements related to TRID. Added clarifications to existing data point definition and added TRID-related enumeration to Fee Type.
- **CFPB Housing Counseling List**: Updates include adding Counseling data to allow for the preparation of CFPB Housing Counseling List.
- Updates were made to Arc Roles to support the relationship of related loans to the subject loan to comply with MEG 36.2.2 "Many-to-many and reflexive relationships MUST be expressed using the RELATIONSHIP element."
- Removed REQUIRED_SERVICE_PROVIDER from ESCROW_ITEM, FEE, MI_DATA, and PREPAID_ITEM. This has been replaced by SELECTED_SERVICE_PROVIDER.
- Updated definitions that were duplicates of other definitions (cut and paste issues).

Property Valuation Services Workgroup

- Updates were made to Property data to correct container structures to support additional business requirements for appraisal assignments and appraisal report reconciliation.
- Additional data points were added to improve use of existing structures for property type and unparsed legal descriptions.
- Green building oriented property structure details were added.

Secondary Workgroup

- **HMDA**: Data points and structures were added to support all reporting requirements associated with the Final CFPB Home Mortgage Data Act (HMDA) Rule. Today, all lenders who originate greater than 25 loans are required to submit HMDA data on an annual basis.

Servicing Workgroup

- Updated to include data structures to capture additional borrower bankruptcy, foreclosure, judgment, and litigation data.
- Elimination of duplicate definitions for data points within the logical data dictionary (LDD).
- Modifications to the Servicing Comment Type and Workout Comment Type values.

Title Workgroup
• Updates include Title data to support the growth for title responses related to specific products being fulfilled • Included enhancements for adding support for transaction specifics around closing. • Changed Title Agent Validation response to better match possible agent statuses.

Detailed descriptions of all model enhancements included in Version 3.4 can be found on SharePoint in the Core Data Structures Workgroup area. Click here to access the submissions.

For details on how containers, data points, and enumerated values have changed across all Version 3.x releases, please click here to access the Version Comparison Report.

Access to SharePoint is a MISMO subscriber benefit. If you would like information about becoming a MISMO subscriber, please click here.

RELEASE FEATURES SUMMARY

Version 3.4 is limited to structure changes in the form of new and modified containers, data points and attributes. The model now contains:

- Data Points: 4,357 Terms; 77,269 Locations
- Containers: 1,255 Terms; 2,785 Uses
- Attributes: 25 Terms; 15,605 Container Uses
- Arc Roles: 15 Roles
- Complete Enumerations: 748 Terms; 6,379 Values
- Data Types: 26 Types
- Acronyms: 92 Terms

REFERENCES

Specifications:
http://www.mismo.org/Specifications/ResidentialSpecifications.htm

MISMO General Information Guide:
http://www.mismo.org/Specifications/ResidentialSpecifications.htm

MISMO Engineering Guidelines:
http://www.mismo.org/Guidelines/EngineeringGuidelines%28MEGS%29.htm