



# MISMO Mortgage Compliance Dataset — Background

## OVERVIEW

The MISMO Mortgage Compliance Dataset (MCD) is a data standard developed by MISMO, the real estate finance industry's standards organization, in partnership with the Conference of State Bank Supervisors (CSBS). It is designed to streamline and improve supervisory compliance examinations for residential mortgage origination loans.

In the mortgage space, a host of consumer-protection compliance laws and regulations exist to ensure a safe, transparent, and fair lending process. These regulations cover everything from disclosures and a borrower's ability to repay, to interest rates, points and fees, appraisals, origination practices, and high-cost mortgages. Regulators are tasked with examining individual loans to confirm compliance with these rules. But, given the volume of mortgage loans originated each year and the nuances in the origination process, examinations can be time-consuming and often rely on manual processes without a robust risk-based focus.

This is where leveraging compliance technology becomes essential — and why standardization matters. For technology to be effective across the mortgage origination industry, the structure and formatting of data submissions must be consistent. The MCD provides that consistency by defining standard data fields, types, names, enumerations, and the file format. In short, it creates a common language so regulators, lenders, and vendors are all speaking the same way, allowing regulators to better leverage technology in their work.

The primary motivation for developing the MCD was the need for a standard data set that state and federal regulators could use to enable risk-based examinations by using compliance technology platforms — and that mortgage originators could also use for pre-exam compliance testing. Developed by industry participants including lenders, LOS providers, compliance providers, and state regulators via MISMO's open, transparent, and collaborative workgroup process, the MCD reduces friction in the exam process, increases efficiency, and ensures consistency across regulators and mortgage lenders.

In partnership with:



## MCD BENEFITS

By standardizing data and the delivery file format, the MCD will:

- **Enable risk-based file review:** Regulators, with support from their compliance vendor, can use automated compliance technology to review loan production in a fraction of the time, then focus exams on identified exceptions.
- **Support pre-exam compliance testing:** Mortgage lenders, with support from their compliance vendor can use the same standard to test their portfolios, cure defects, and remediate issues before regulators arrive — saving significant time and cost.
- **Reduce friction and improve accuracy:** Consistent data reduces errors and eliminates false positives caused by inconsistent formats, improving the accuracy of compliance testing.
- **Increase efficiency and collaboration:** Standardized data allows state and federal regulators to share exam data and leverage exam findings, streamlining oversight across the system.
- **Maintain ongoing relevance:** Housing the MCD within MISMO ensures the standard is maintained collaboratively with industry and updated on a regular schedule to stay timely and relevant



## NEXT STEPS TO ENGAGE WITH MCD ADOPTION AND IMPLEMENTATION

### Mortgage Originators

- Engage with your home-state regulators and LOS vendors to inquire about the adoption of the MCD standard and exam implementation schedule.

### LOS Vendors

- Review the draft MCD dataset through MISMO Connect, MISMO's members-only website. If you're not a MISMO Member, request access by contacting [info@mismo.org](mailto:info@mismo.org).
- In November, when the standard is released for public comment, it will be accessible to the industry on [mismo.org](https://mismo.org).
- The final MCD publication is expected by year-end and will again be available to the industry on [mismo.org](https://mismo.org).

### Compliance Vendors

- Contact CSBS about offering your compliance platform and services to state regulators for mortgage origination examinations by emailing Kevin Byers at [kbyers@csbs.org](mailto:kbyers@csbs.org) or Rashonda Harris at [rharris@csbs.org](mailto:rharris@csbs.org) for more information.