

October 29, 2002

**Minutes of the Meeting of the Technology Initiatives Committee
MBA Commercial Board of Governors
Sunday, October 20, 2001
Hyatt Regency, San Diego, CA**

The meeting was called to order at 10:10 AM. John Super of Edward T. Byrd & Company read the MBA Standard Antitrust Declaration to open the meeting. Mr. Super provided introductions of the leadership of the Comm Tech Committee, followed by a review of the Committee Mission Statement and MBA Committee Structure Review. Mr. Super then reviewed the Committee's accomplishments of 2002. These include an Update to the White Paper, the continued operation of the CREFTech Registry and a revision to the participation in the MBA Technology Conference. The Committee is also changing aspects of its membership by considering outreach to and solicitation of all commercial and multifamily members of MBA for the purpose of requesting that their primary technology staff join the Committee.

Catherine Rodewald of Prudential Mortgage Capital and Chair of the MISMO Commercial Working Group provided a summary of MISMO's commercial data standard activities. The MISMO CWG is presently in the process of determining the details of its integration with the larger MISMO structure. The CWG consists of 50 companies and manages the activity of 4 subgroups focused on creating standards for the Originations and Servicing sectors of the industry, the implementation of eMortgages in the commercial industry and the underlying XML architecture of the standard. The groups all operate by periodic conference calls and face-to-face meetings. The next face-to-face meeting will take place in Dallas at the Petroleum Club on Tuesday, October 29th. Ms. Rodewald indicated that promotional presentations would occur at many of the COMBOG Committee meetings during the day.

Mr. Super next provided an update on MBA's and MISMO's efforts to develop eMortgages and eAppraisals. Through MISMO, the basic technologies have been established and are moving into implementation. The eMortgage subgroup of the CWG is assessing the possibility of eMortgages in the commercial industry, and plans to release a White Paper describing this in the winter. The basic eMortgage technology, though, can be re-used for the creation of eAppraisals, fully electronic records that are self-contained and do away with the paper report. The implementation of either eMortgages or eAppraisals depends on the use of PKI, digital signatures and technologies for ways to establish secure identity online. Mr. Super provided a brief update of MBA's PKI initiative. The question was asked if the AIREA was a member of MISMO, and it was noted that while not members of the CWG the Appraisal Institute was a member of MISMO.

Daniel Szparaga provided a summary of the usage trends for the CREFTech Registry, and then reviewed the proposal for expanding the Registry to include an online library of information relevant to the development of e-commerce in the commercial industry. Suggestions to the information provided on the "CREFTech Knowledgebase" would be accepted through the end of October, with coding due to begin shortly thereafter.

Bob Stout of McCracken Financial Systems then reviewed the plans for the upcoming CREF Convention and the Joint Asset Administration & Technology Conference. The CREF Convention in San Diego in February 2003 will feature possibly two panels focusing on technology in the industry. There is also the possibility of establishing a Tech Vendor Showcase on the Exhibition Floor, and the feasibility of this will be assessed over the upcoming weeks. The Joint Conference is a direct response to the inability of the MBA Technology Conference to meet the needs of the commercial industry. Planning for this Conference would start at the conclusion of the Annual Convention, and one threshold question was the degree of emphasis on the technology tracks.

Mr. Szparaga stated that based on the MISMO presentation at the Asset Administration Conference earlier that day, one idea for content at that conference was to present a panel that provide detailed information about how to implement MISMO in an organization. Mr. Jim Murphy stated that this was a critical time in the commercial industry, and that while MISMO is important small firms cannot bear the full expense of building the software to accommodate it. Mr. Stout was asked if it wasn't the responsibility of tech vendors to accomplish this. He responded tech firms have a similar issue – they have to balance diminishing revenues from a declining customer base with increased expenses for enhancements from so many initiatives. The likely result is a blend – tech vendors will build some of what's necessary, and industry members would build the rest (either through in-house methods or through hiring consultants). There was further discussion on MISMO implementation in the commercial industry, and the Committee meeting ended on that note at 11:00 AM.

Respectfully Submitted,

Daniel P. Szparaga
Mortgage Bankers Association

