

October 24, 2003

Minutes of the Conference Call of the Commercial Technology Initiatives Committee ("CommTech") MBA Commercial Board of Governors Friday, October 24, 2003

The conference call started at 12:30 PM Eastern. Since participation was light (three Committee members in addition to the Committee Leadership and MBA Staff Representative), it was decided to move quickly through the agenda and hold discussions on the larger topics of interest. Mr. Frazier described three main technology initiatives for the committee as being the support, use and promotion of MISMO, SISAC and eAppraisals. These initiatives are a response to the insatiable need for firms to process more information, faster. MISMO (Mortgage Industry Standards Maintenance Organization) is the industry-led effort to develop XML-based data standards for the transfer of information between business partners in the mortgage industry. SISAC (Secured Identity Services Accreditation Corporation) is responsible for accrediting digital identity credential issuers for the mortgage industry. The effort to build a framework for eAppraisals is represented by ongoing conversations between MBA and the Appraisal Institute regarding ways to have interoperable data and content standards for appraisers so that they can exist as electronic files between the producers of commercial property valuations and those who rely on them. Since the decision to implement is a business issue and since the CommTech is focused more on the use of technology rather than its development, it can serve a key role in promoting the adoption these standards to the industry. Mr. Stacey Berger noted that this concept of an integrated technology agenda for this Committee made sense and maximizes leverage with MBA's other initiatives.

The promotion of MISMO was raised as one topic of interest. Mr. Szparaga described the plans for the promotion of MISMO at the upcoming CREF Convention. There will be one panel focused solely on MISMO, entitled "The Dollars and Sense of MISMO." It will also be one topic covered in a number of panels, including the one to be moderated by Joe Rubin entitled "Maximizing Your Operations." There was concern expressed that without the release of the first XML specifications, a better strategy might be to target MISMO presentations to a finite number of panels in order to set expectations in the industry. Primarily since the lack of an Intellectual Property Rights Policy has slowed development of the specifications, we run the risk of appearing to have made little progress since the previous CREF Convention. It was the consensus of participants on the call that the time was not right to over-promote MISMO.

The call participants then discussed the issue of MISMO adoption. Irrespective of the pace of MISMO development, Mr. Frazer stated that it presents an incredible opportunity for firms. The reality is that although the technology side will implement MISMO, the decision to implement rests with the business side. Mr. Mullen stated that it was important for firms to be on the same page in this regard. He referred to the article from the September issue of Mortgage Banking magazine that described the growing and critical importance of data in corporate operations ("The Drive for More Transparency"). Over time, the capital markets will reward tech-savvy firms not only because of their efficiency but also because of the reliability of and confidence in their data.

It was agreed on the call that for the reasons previously stated, the CommTech should embrace an activist agenda that promoted the adoption of technology on a broad front. One way the CommTech could achieve this was to make the connection between technology and its benefits. For instance, the adoption of MISMO is not going to be just a back office benefit. Mr. Super urged the CommTech to also continue its effort to present the benefits of technology adoption to small and medium-sized firms. The next CommTech conference call was set for Friday, November 21st at 12:30 PM Eastern, and this call was adjourned.

Respectfully Submitted,
Daniel P. Szparaga
Mortgage Bankers Association