Frequently Asked Questions
Using the MISMO v3 Specification with Documents

What is the Purpose of MISMO®? The Mortgage Industry Standards Maintenance Organization ("MISMO") was created to promote and support the common business interests of the Commercial and Residential Mortgage Markets. Its mission is to benefit industry participants and consumers of mortgage and investment products and services by:

- Fostering an open process to develop, promote, and maintain - through an open process - voluntary standards for the real estate finance industry, including but not limited to standardized definitions, data structures, processes and electronic commerce procedures related directly or indirectly to the transfer of data relevant to the mortgage industry, and
- Enabling mortgage lenders, investors, servicers, vendors, borrowers, and other parties to exchange real estate finance-related information and eMortgages more securely, efficiently and economically.

MISMO enables the exchange of information between mortgage industry business partners in a standardized format. Investors and other business partners may offer or require the use of MISMO standards for specific lending processes. Prior to the version 3 MISMO standard, there were various lending process-specific MISMO standards for labeling data and documents, and various methods for packaging and exchanging information. These standards did not use a single data dictionary, nor was there a common way of exchanging documents.

Where Does the SMART Doc® Term Come From? As the standards continued to evolve and were expanded for use across multiple lending sub-processes, a document standard known as SMART Doc was developed. SMART Doc®, SMART DOC® and SMART® document are registered trademarks of MISMO.

SMART is an acronym meant to explain the purpose of the document standard – to make documents Securable, Manageable, Archivable, Retrievable, and Transferable. Documents in electronic format provide the opportunity to augment what humans require – readable text – with another layer of information that computer systems can natively read with 100% accuracy without use of any other technology such as OCR (Optical Character Recognition). The SMART Doc standard also provided options to create and update documents in electronic formats with information that can't be natively added to a paper document – including audit trails, digital signatures to confirm the document content has not changed from certain points in its lifecycle, and the ability to include data points from the document as distinctly labeled fields for computer systems to consume within a special technical layer of the document structure.

Where Have SMART Documents Been Used? The most successful adoption of the SMART Doc format has been for electronically signed promissory notes ("eNote"), under the SMART Doc 1.02 specification, because they include the data, the document, and system-verifiable mappings between the distinct data points and their location in the human-friendly presentation view of the document. The SMART document provides data formatting and transformation for true lights-out processing. This allows systems to verify that the data matches what the borrower viewed. The mortgage industry saw

enormous value in the SMART Doc concept. But without a common data dictionary across all mortgage sub-processes, adoption was limited due to the technical overhead of managing multiple data standards within computer systems.

How Does Version 3 Change MISMO? With version 3 of the MISMO standard, the mortgage industry now has a single data reference model for all data about a loan throughout its lifecycle. In other words, what was originally a set of often overlapping standards with sometimes contradicting data field names is now a single standard for labeling everything in a loan: from the single data field level to the document level (collections of data fields) level to the packaging level (collections of documents). The reference model also includes standards for metadata, audit trails and use of electronic signatures for various purposes.

What Does Version 3 Mean for SMART Documents? To drive adoption of SMART documents beyond the use of just eNotes, MISMO updated the standard so that it could be used across any lending process. The goal was to allow computer systems to easily exchange data at multiple levels - single labelled data points, documents, and sets of documents – yet allow humans to exchange data between each other in the form of user-friendly formatted documents. Documents provide both the transaction-specific data and the context needed to understand that information (i.e., all the words that surround each data point).

Version 3 of the MISMO reference model reorganizes the previous SMART Doc categories into four document profiles. The profiles help to efficiently manage data exchange between multiple internal and external computer systems – while also preserving the human need to read, understand and analyze the information being exchanged.

The three MISMO v3 profiles are:

- **Basic:** The document receiver only needs the view, information related to signatures if the document is signed and the document type or name.
- **Retrievable:** The receiver wants to access data from the document and there is not a requirement to automatically verify that the data matches what is presented in the viewable image. The data in the Retrievable profile may or may not include all of the information contained in the view.
- **Verifiable:** The document receiver wants to verify that the data matches the information contained in the view.

Each profile determines which sections of the MISMO v3 DOCUMENT model are expected to be in the document. This allows computer systems to be programmed to interpret and read the various potential sections of the document. The profiles become more extensive, from Basic to Verifiable. The chart below summarizes the sections of the MISMO v3 DOCUMENT model that should be implemented for each defined profile.

A summary of the sections used by each profile and MISMO V3 Reference Model requirements for each profile are provided in the table below. Optional means the section may or may not be present.

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Required sections must be present and prohibited sections must not be present. Conditional sections may be present depending on the presence of other sections. For instance, the Audit Trail Section in the Basic and Retrievable profiles is required if a Computer System Signature is present.

Document Sections in the MISMO v3 DOCUMENT model	Basic	Retrievable	Verifiable
About Versions: Identify the SMART document profile.	Required	Required	Required
Audit Trail: Logs events that occur during the lifecycle of the document.	Conditional[1]	Conditional[1]	Required
Deal Sets: Provides the data for the document.	Conditional[2]	Required	Required
Document Classification: Describes the types, purposes and uses of the document including the document name.	Required	Required	Required
Relationships: Provides associations between the different document sections.	Optional	Optional	Conditional[4]
Signatories: Provides data about executed document signatures, electronic or otherwise.	Optional	Conditional[3]	Conditional[3]
System Signature: Provides digital signatures over some or the entire document to provide proof that no tampering has occurred.	Optional	Optional	Required
Templates or Mapping: Relates data from other sections of the document to the viewable image.	Prohibited	Prohibited	Required
View: Provides the visual representation of the document.	Required	Required	Required

[1] If a digital signature is provided in the SYSTEM_SIGNATURE element, then there MUST be at least one entry in AUDIT_TRAIL_ENTRIES. Otherwise, the use of the AUDIT_TRAIL_ENTRIES container is OPTIONAL.

[2] If information about signatures for stakeholders, notaries, and/or witnesses is provided in the SIGNATORIES container, then the DEAL_SETS container MAY be used to convey the signer's information in a corresponding PARTY element.

[3] If the document has signatures for stakeholders, notaries, and witnesses, then the information about those signatures MUST be provided in the SIGNATORIES container.

[4] If the document has signatures or signature placeholders, then the RELATIONSHIPS container MUST be used to link the SIGNATORY element and/or the VIEW_FIELD container to the corresponding PARTY container.

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Isn't This Just a Renaming of the SMART Doc Categories? While there are parallels between the original SMART Doc categories and the v3 document profiles, the two are not synonymous. Going forward, a document should be identified via the profiles. The new profiles encompass not only an electronically signed promissory note, but all documents in a mortgage including consumer based documents, and documents exchanged between lenders and their business partners – which today often require either rekeying the data between different systems or actively monitoring OCR exceptions.

Additionally, lenders and industry partners are now more familiar with the concept of a document as a self-contained data envelope. For example, besides using this for electronically signed promissory notes, the GSE Uniform Collateral Data Portal standardized the concept of an appraisal document formatted as a PDF wrapped in XML that contains all of the data from the PDF in parseable XML data fields.

Is a Version 3 Document Still a SMART Document? The SMART Doc name doesn't appear anywhere in the v3 specification - the document structure is referenced only as a v3 document. However, if you think of a SMART document as a specific implementation of a MISMO V3 document, it separates the concepts of technical specification from business implementation. For example, if a lender or vendor wants to use the data-mapped versions of the Integrated Disclosures, the v3 specification can be leveraged to *implement* Retrievable (or even Verifiable) SMART documents.

Will All Documents Migrate to Version 3? Although several standards-based document specifications are in active use today, such as the UAD-formatted appraisal using the extended MISMO 2.6 standard or the eNote using the SMART Doc 1.02 specification, we anticipate that all documents will eventually migrate to the MISMO v3 model.