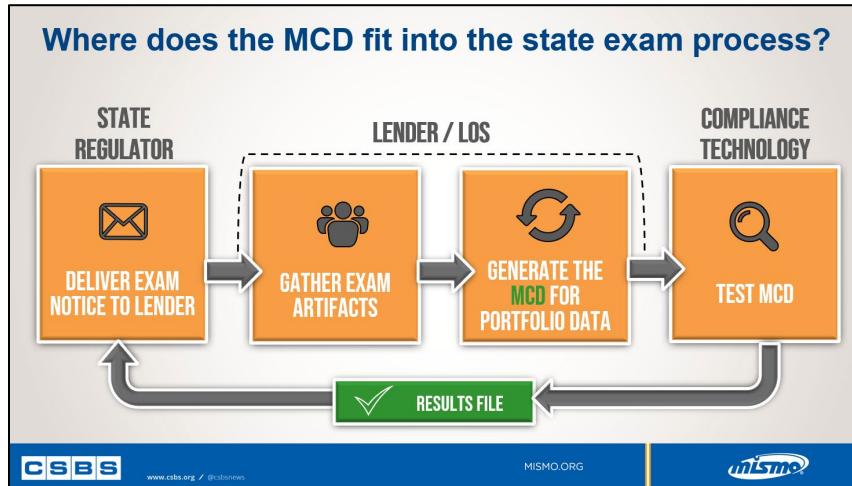
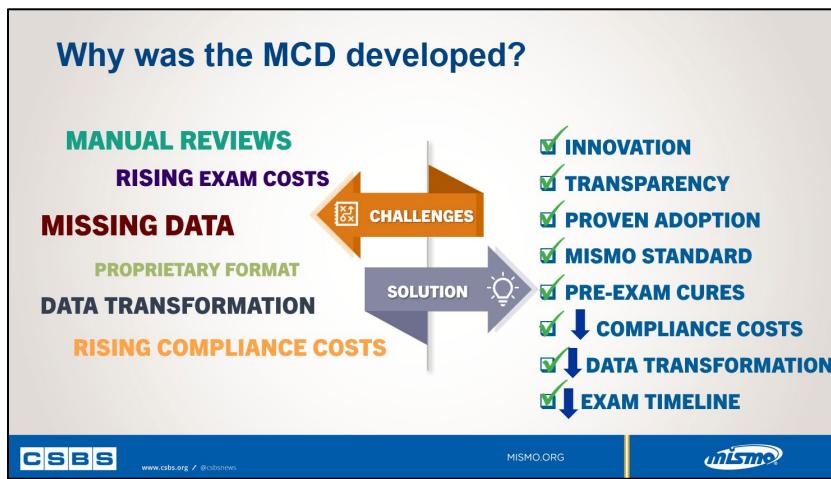


Attendance exceeded expectations, with **more than 75 participants onsite and over 100 joining virtually**, representing a broad cross-section of the industry—including lenders, state regulators, LOS providers, document providers, compliance technology providers, and other key stakeholders.

The **Mortgage Compliance Dataset (MCD)** is being developed as a standardized set of loan data fields and delivery format that mortgage lenders and independent mortgage banks will provide to regulators for the loan-level review portion of regulatory compliance examinations. The MCD is intended to replace the Loan Examination File (LEF).



The MCD represents a **subset of the data originators test throughout the loan lifecycle**, focused specifically on federal regulatory requirements and excluding investor overlays. While similarities to HMDA LAR were noted, the MCD serves a distinct regulatory examination purpose.



Industry Readiness & LOS Implementation

Loan Origination System (LOS) provider engagement is underway:

- ICE is developing an initial beta version of the MCD for the **Encompass 26.2 release (mid-July)**. The first release will support a **single closed-loan export**, generated directly from the Encompass pipeline.



- **Wilqo** is committed to supporting the MCD, developing a single-loan workflow and evaluating whether to support bulk or individual requests.
- **MISMO and CSBS** continue discussions with additional LOS providers.
- Lenders were encouraged to actively engage LOS providers, as implementation priorities are largely driven by lender demand.

MCD Artifacts & Technical Foundation

- The MCD is based on **MISMO v3.6**.
- Fee handling includes **Fee Types, Escrow Items, and Prepaid Items**, with clear mappings from LEF to MISMO structures.
- The dataset includes the **most current UCD fee types and descriptions**, aligning regulatory and GSE submissions.
- **Wrapper files** are available to support data validation.
- Post-meeting feedback indicated strong interest in a **recorded walkthrough of the MCD artifacts**, which will be planned as part of an upcoming MCD DWG agenda.

Regulatory Scope & Adoption

- **Federal requirements** have been prioritized due to their applicability across all states.
- Regulators interested in adding **state-specific data requirements** were encouraged to engage with the MCD DWG, contact Kevin Byers (kbyers@csbs.org) or Jeremy Windham (jeremy.windham@banking.alabama.gov) for more information.
- A primary benefit of standardized MCD results is enabling **state regulators to rely on prior examinations**, reducing exam timelines, costs, and duplication of effort.
- States do **not** require legislative changes to adopt the MCD, consistent with LEF precedent.
- Regulators will be responsible for mandating usage; producing closed-loan data in regulator-defined formats is already standard practice.
- No state-specific implementation issues were identified during the workshop.

Compliance Technology, Results, and Trust

- Some states already mandate the use of compliance technology.
- Regulators emphasized the importance of **trust in standardized data and results**, including whether regulatory independence is required or whether vendor-generated results can be relied upon.
- Use of MISMO standards enables clearer dialogue around compliance findings and strengthens regulator-lender collaboration.



- Testing efforts using data from **12 states** provide an opportunity to create controlled pass/fail scenarios and validate consistency across compliance technology vendors.
- A key goal is ensuring compliance technology vendors produce **consistent testing results in a standardized format**, enabling predictable outcomes and regulator training.
- The MCD DWG is actively discussing **sample results file formats** and portfolio-level summaries.

Certification & Ecosystem Considerations

- There is precedent for a **technology certification** to meet minimum industry standards.
- The group discussed the potential value of a **MISMO certification** for producing and ingesting MCD files to establish a known baseline and support ongoing accreditation.
- While certification introduces cost, the vendor population is relatively small; **MISMO and CSBS will explore this further**.
- Document providers play a supporting role:
 - **LOS is the system of record**
 - **Signed documents are the source of truth**
 - Document providers typically feed changes back into the LOS
 - Not all data elements exist on paper
- POS systems are not direct MCD implementers but house data that must flow into the LOS.

Future Considerations

- Additional discussion is needed on how **third-party diligence vendors** may leverage the MCD (if at all)
- Interest was expressed in a **servicing MCD**, though this would be a separate initiative.
- Successful adoption of the **origination MCD** is a prerequisite to establish credibility.
- Parallel development could help maintain **data continuity across the loan lifecycle**.

Next Steps

- CSBS / MISMO will review submitted Tech Sprint capability statements and notify selected vendors by the end of January.
- Selected vendors will present demos during the **2026 NMLS Annual Conference & Training** February 17th – 20th in Orlando.
- Be a part of the standards development process and join the **MISMO MCD DWG** which meets on the 1st and 3rd Thursday of each month from 3:00 – 4:00pm ET. The next meeting will be held on Thursday, February 5th. Attend here: <https://mba-org.zoom.us/j/88042907892>.