



News Release

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MISMO®, ESRA and ALTA Release White Paper Confirming the Legality of eNotes

Washington, D.C. (November 24, 2008) - MISMO, the not-for-profit data standards subsidiary of the Mortgage Bankers Association (MBA), today released a joint white paper along with the Electronic Signature and Records Association (ESRA) and the American Land Title Association (ALTA), entitled Case Closed: eNotes Are Legal -- An Analysis of eNote Enforceability Nationwide. The white paper addresses the legality of electronically-signed promissory notes, commonly referred to as eNotes, which are central to the eMortgage process.

Although eMortgages have become more prevalent in the mortgage banking industry, confusion has remained as to whether eNotes are legal in all jurisdictions. The white paper addresses this common question while also identifying important logistical implementation issues.

"By creating a paperless mortgage lending environment through the use of eMortgages, lenders reduce costs, improve compliance and create efficiencies," said Harry Gardner, MBA's Vice President of Industry Technology and President of MISMO. "MBA, in concert with ESRA and ALTA, was able to provide a framework for lenders who are looking to increase their eMortgage business. Our hope is that the mortgage banking industry utilizes this document to advance any legal, regulatory and operational issues in relation to the use of electronic signatures and records."

The key topics outlined in the white paper include:

- Understanding the legality of eNotes in all jurisdictions
- Detailing the states supporting eNotes through adoption of the Uniform Electronic Transactions Act (UETA)
- Providing guidance for situations where state laws don't expressly support eNotes
- eNotes implementation

"As more jurisdictions allow lenders to use eNotes, it's imperative that technology and compliance professionals have the latest guidance and information available to them," said Margo Tank, Partner with Buckley Kolar, LLP and legal counsel for ESRA.

"ESRA was pleased to partner with MISMO and ALTA to provide the industry with this necessary information that will enable more lenders to leverage eMortgages as a more standard way of doing business."

"ALTA, with the direction and expertise of MISMO and ESRA, is delighted to offer valuable legal support to the land title agencies across the industry," said Kelly Romeo, Director of Technology for ALTA. "The white paper conclusively shows that the use of eNotes is legal in all jurisdictions, which is immensely helpful as we navigate toward a paperless lending environment."

To download the white paper, Case Closed: eNotes Are Legal -- An Analysis of eNote Enforceability Nationwide, from MISMO's Web site go to <http://www.mortgagebankers.org/files/ResourceCenter/emortgage/eNoteWhitePaper.pdf>.

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ABOUT MISMO

MISMO, a not-for-profit subsidiary of the Mortgage Bankers Association (MBA), develops data transfer protocols and technical guidance for both the residential and commercial real estate finance industries. MISMO standards help reduce costs, streamline processes, improve accuracy, increase data transparency, and boost investor confidence in mortgages as an asset class. MISMO coordinates the development and maintenance of Internet-based Extensible Markup Language (XML) real estate finance specifications and electronic mortgage guidelines through a voluntary, open and vendor-neutral process, and its workgroups include more than 1,000 individual participants and over 125 subscribing organizations representing all sectors of the residential and commercial industry: lenders, originators, servicers, investors, government-sponsored enterprises, technology vendors, multiservice providers, credit reporting agencies, insurance firms, tax services and law firms. MISMO is a registered trademark of the Mortgage Industry Standards Maintenance Organization, Inc. For more information on MISMO, visit www.mismo.org.

ABOUT MBA

The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 370,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,400 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mortgagebankers.org.