

**INSTRUCTIONS:**

Completion of this application may require input from various departments within your organization.

- Please type or print all answers clearly.
- Answer **ALL** sections completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
- Provide any supporting information on a separate sheet using your letterhead and reference the applicable question number.
- Check Yes or No answers
- This form must be completed, dated and signed by an authorized officer of your firm.

**Underwriters will rely on all statements made in this application.**

**APPLICANT INFORMATION:**

1. Name of Applicant (include any subsidiaries for which coverage is requested):

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Business Address:

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Applicant is a:  Corporation;  Partnership;  Limited Liability Corporation;  Other

2. Year Established (if less than 5 years, please attach resumes): \_\_\_\_\_

3. Number of locations: \_\_\_\_\_ (Use separate sheet to list addresses for multiple locations)

4. Web Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email for future correspondence: \_\_\_\_\_

5. List current number of employees by following activities:

a. Mortgage Banking Professional Employees

i. Board of Directors, Corporate Officers: \_\_\_\_\_

ii. Loan Production: \_\_\_\_\_

iii. Loan Servicing: \_\_\_\_\_

iv. All Other Professional: \_\_\_\_\_

b. Non-Mortgage Banking Professional Employees: \_\_\_\_\_

c. Clerical Employees: \_\_\_\_\_

d. Independent Loan Originators acting as Independent Contractors: \_\_\_\_\_

i. Do you require IC's to carry E&O?  YES  NO

Describe IC's services: \_\_\_\_\_

6. Has there been any change in ownership/management in the past three years?  YES  NO

If "YES," please explain: \_\_\_\_\_

7. Is the Applicant firm controlled, owned (in whole or part), affiliated or associated with any other firm, corporation, company or entity?  YES  NO  
If "YES," please explain the relationship: \_\_\_\_\_

8. To what Professional Associations does the Applicant belong? \_\_\_\_\_

9. Insurance Coverage Request

- a. Limits for which organization is applying:  
 \$500,000  \$1,000,000  \$2,000,000  \$3,000,000  Other \_\_\_\_\_
- b. Deductible and Coverage Dates Requested:  
 \$10,000  \$15,000  \$25,000  Other \_\_\_\_\_
- c. Proposed Effective Date: \_\_\_\_\_

**GENERAL INFORMATION:**

10. Financial & Business Information

- a. Indicate fiscal year end date: \_\_\_\_/\_\_\_\_ (month/day)
- b. Indicate the total revenues for all services

	Year	Revenues
Prior Fiscal Year		\$
Current Fiscal Year		\$
Projected Next Fiscal Year		\$

11. Products and Services Offered:

- a. Are Mortgage **Broker** services provided?  YES  NO
- b. Are Mortgage **Banker** services provided?  YES  NO
- c. Are other services provided?  YES  NO

If "YES," please describe: \_\_\_\_\_

12. What percentage (if any) of the Loan Origination Volume (outlined below) was funded by the Applicant's Warehouse Line? (List amount and with whom) \_\_\_\_\_%

13. Mortgage Banking / Mortgage Brokering Activities for last 12 Months:

	Number of Loans	Dollar Volume
a. Servicing:	_____	_____
b. Origination:	_____	_____
c. Origination Percentage:		
i. Residential	_____ %	
ii. Commercial	_____ %	
iii. Construction	_____ %	
iv. Other	_____ %	
v. Total	<u>100</u> %	

If "Other", please describe: \_\_\_\_\_

d. What percentage of loans are:

Originated	_____ %	Refinances	_____ %
Underwritten	_____ %	2 <sup>nd</sup> Mortgages	_____ %
Serviced	_____ %	Sub-Prime	_____ %
Yield Spread	_____ %	Foreclosed	_____ %
Other	_____ %	Re-Purchased	_____ %

Explain:

e. Average Loan Value: \$ \_\_\_\_\_

f. Maximum Loan Value: \$ \_\_\_\_\_

g. Largest Loan Made: \$ \_\_\_\_\_

h. If Sub-Prime loans are provided:

- i. Please provide the percentages of the types of paper the sub-prime is written on:  
A \_\_\_\_\_ %; B \_\_\_\_\_ %; C \_\_\_\_\_ %; D \_\_\_\_\_ %
- ii. What is the average FICO score of all Sub-Prime loans originated? \_\_\_\_\_ %
- iii. What percent of originated loans are reviewed? \_\_\_\_\_ %
- iv. Are audits performed by Applicant?  YES  NO
- v. Are audits performed by an outside firm?  YES  NO

14. Does the Applicant act as a master servicer of loans?  YES  NO

If "YES", please provide details (including dollar amount of activity and source of funding):

**COMPANY PROCEDURES:**

15. List States in which services are provided: \_\_\_\_\_

16. Are all licenses in force where required by the state?  YES  NO

17. Has the applicant had any investigations into licensing or are there any ongoing license investigations from any state agency or other authority?  YES  NO

If "YES," please provide full details of investigation including the outcome and/or the status \_\_\_\_\_

18. Does the Applicant have any:

	<b>Procedures:</b>	<b>Violations:</b>
a) Truth in Lending	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
b) RESPA	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
c) Equal Credit Opportunity	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
d) Good Faith	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

**(Please detail any violations as an attachment)**

19. Has the Applicant ever been required to repurchase any loan(s)?  YES  NO  
If "YES," please provide details as to when and what caused the repurchase.

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20. Does the Applicant have written policies with respect to the above as shown in questions 18 & 19 and are employees trained to comply?  YES  NO

21. Are appraisals performed by in-house appraisers?  YES  NO  
If "YES," who assigns the appraisals (list the person's position)? \_\_\_\_\_

22. Are appraisals provided on a rotating basis?  YES  NO  
If "NO," please advise how the Applicant protects itself from collusion between an appraiser and a loan officer. \_\_\_\_\_

23. Please describe how denials of credit are offered.

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24. How has the Applicant addressed (including any new procedures or policies) the issue of predatory lending practices to prevent lawsuits in this area?

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25. What percentage of the number of total loans originated is reviewed by separate quality control personnel? \_\_\_\_\_%

26. Does the Applicant obtain or anticipate revenues from any other services other than Loan Origination Activities?  YES  NO  
If "Yes," please describe: \_\_\_\_\_

**QUALITY CONTROL:**

27. Does the applicant utilize MARI for:

- a. New employees?  YES  NO
- b. New Mortgage Brokers?  YES  NO
- c. Closing Agents?  YES  NO

28. Are discretionary audits to be done at request of managers or due to litigation or other triggers not part of the normal quality control process?  YES  NO

29. Does the Applicant's quality control function include a new originator review and a review of new branches (if applicable)?  YES  NO

30. Does the Applicant have a compliance officer or similar position?  YES  NO

**INSURANCE AND CLAIM INFORMATION:**

31. Does the company currently have Errors and Omissions, Surety Bond, General Liability, Fidelity Bond and/or similar insurance in force?  YES  NO

If so, please complete the following for each policy:

a. Professional Liability Insurance?  YES  NO

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

b. Surety Bond?  YES  NO

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

c. General Liability Insurance?  YES  NO

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

d. Fidelity Bond?  YES  NO

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

32. Was prior coverage ever cancelled or non-renewed?  YES  NO

If "YES," please explain reason for non-renewal or cancellation \_\_\_\_\_

33. During the past five years, has the Applicant or any predecessor in business or any of the past or present partners, Officers, Directors, or employees been the subject of an investigation, reprimand, disciplinary action, criticism, or filed complaint by the FHA, VA, PMI carrier, any investor, authority, or governmental agency?  
 YES  NO

If "YES," please provide full details for each circumstance \_\_\_\_\_

34. Has any Professional Liability claim or suit ever been brought against the Applicant and/or any predecessor company and/or any person proposed to be insured?  YES  NO

**If "YES," please complete a Claim Supplement for each.**

35. Does the Applicant, or any predecessor in business or any of the past or present partners, Officers, Directors, or employees have any reasonable basis:
- a. To believe that there has been a breach of a professional duty?     YES  NO
  - b. To believe that the Applicant or any predecessor in business or any of the past or present partners, Officers, Directors or employees are aware of any circumstances, incidents, or situations during the past five years which may result in claims being made against the Applicant, any of the past or present partners, Officers, Directors or employees or former employees of the Applicant?     YES  NO
36. Please include the following items with this application:
- a. Resumes of any new Key Senior Personnel
  - b. Latest full year financial statement or annual report and Interim Financials

**FRAUD WARNING STATEMENT**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

NOTICE TO APPLICANTS. PLEASE READ CAREFULLY

BY SIGNING THIS APPLICATION, THE APPLICANT REPRESENTS TO THE COMPANY THAT ALL STATEMENTS MADE IN THIS APPLICATION AND ATTACHMENTS HERETO ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED OR MISREPRESENTED IN THIS APPLICATION, SUPPRESSED OR CONCEALED. THE UNDERSIGNED AGREES THAT IF AFTER THE DATE OF THIS APPLICATION AND PRIOR TO THE EFFECTIVE DATE OF ANY POLICY BASED ON THIS APPLICATION, ANY OCCURRENCE, EVENT OR OTHER CIRCUMSTANCE SHOULD RENDER ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION INACCURATE OR INCOMPLETE, THEN THE UNDERSIGNED SHALL NOTIFY THE COMPANY OF SUCH OCCURRENCE, EVENT OR CIRCUMSTANCE AND SHALL PROVIDE THE COMPANY WITH INFORMATION THAT WOULD COMPLETE, UPDATE OR CORRECT SUCH INFORMATION. ANY OUTSTANDING QUOTATIONS MAY BE MODIFIED OR WITHDRAWN AT THE SOLE DISCRETION OF THE COMPANY.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE ACCEPTANCE OF THE COMPANY'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED. THE APPLICANT AGREES THAT THIS APPLICATION, IF THE INSURANCE COVERAGE APPLIED FOR IS WRITTEN, SHALL BE THE BASIS OF THE CONTRACT WITH THE INSURANCE COMPANY, AND BE DEEMED TO BE A PART OF THE POLICY TO BE ISSUED AS IF PHYSICALLY ATTACHED THERETO. THE APPLICANT HEREBY AUTHORIZES THE RELEASE OF CLAIMS INFORMATION FROM ANY PRIOR INSURERS TO THE COMPANY.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_  
(Must be signed by Owner, Partner or President)

Date: \_\_\_\_\_  
(Month/Day/Year)