

Instructions for Applicant Organization: Please type or **print** in **ink**. Answer all questions. If a question is not applicable, state NOT APPLICABLE. If the answer to any question is none, state NONE. If space is insufficient to answer any question fully, attach a separate sheet(s).

MORTGAGE BANKERS BOND/ PROFESSIONAL LIABILITY APPLICATION
THIS IS AN APPLICATION FOR A CLAIMS MADE AND REPORTED POLICY.

ALSO INCLUDE WITH THIS APPLICATION RESUMES OF KEY SENIOR PERSONNEL AND LATEST FULL YEAR FINANCIALS AND ANY INTERIM FINANCIALS AVAILABLE.

GENERAL INFORMATION

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

b. Address (No. & St.): _____

City: _____ State: _____ Zip: _____

2. Year Established: _____

3. a. Number of Locations: _____ List Name and address for each location (on a separate sheet if necessary):

b. Number of Locations with Underwriting Authority: _____

4. a. Applicant is a: Corporation: Partnership: Sole Proprietor LLC

b. Has there been any change in ownership or management in the past three years?..... Yes No
If "Yes," explain: _____

c. Identify all principals, persons, or entities owning 10% or more of the Applicant Company(ies), Parent Company (if any, please identify such as the parent), and indicate the percentage of ownership for each.

d. Contact Information:
Contact Person and Title: _____
Fax Number: _____
E-mail Address: _____
Web Address: _____

TYPE OF OPERATION

5. Does the Applicant have or utilize a warehouse line of credit? Yes No

6. What percentage (if any) of the below Loan Origination Volume was funded by the Applicant's Warehouse Line?..... _____ %

7. Mortgage Banking Activities for the twelve (12) months ending: _____

	Number of Loans	Dollar Volume
a. Servicing:	_____	_____
b. Origination:	_____	_____
c. Origination Percentage:		
1-4—Family Residential	_____	%
Multi-family	_____	%
Other Income Property	_____	%
Other (please describe _____)	_____	%
	Total	100%
d. Type of Loans Originated:		
FHA/VA/Conventional	_____	%
Second/Equity Line Lending	_____	%
Construction Lending	_____	%
Other (please describe _____)	_____	%
	Total	100%

8. 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):

9. Does the applicant make any "Portfolio" loans for its own (or affiliated company) account with the intention of holding the loan more than six months? Yes No
 If "Yes," please provide details (including dollar amount of activity and source of funding):

10. a. Number of Independent Contractors performing loan origination services for the applicant? _____
 b. Do these Independent Contractors performing loan origination services work only for you? Yes No
 If "No," please explain:

c. Do you want coverage for Independent Contractors performing loan origination services for you? Yes No

Please note that we will only provide coverage for Independent Contractors that do only loan origination services for you and do not work for anyone else.

11. List current number of employees by the following activities (**Do not include the Independent Contractors listed in the answer to question 10.**):

- a. Mortgage Banking Professional Employees
 - (1) Board of Directors, Corporate Officers _____
 - (2) Loan Production _____
 - (3) Loan Servicing _____
 - (4) All Other Professional _____
- b. Non-Mortgage Banking Professional Employees _____
- c. Clerical Employees _____

_____ Total Employees

12. List below the three largest institutions that fund loans for the Applicant:
1. _____
 2. _____
 3. _____

COMPANY PROCEDURES

13. Please confirm the Applicant has procedures to assure timely and proper disclosure of Good Faith Estimates and Truth in Lending Estimates. Yes No
14. Does the Applicant know of any or have any reported violations of laws in any of the following:
- a. Real Estate Settlement Procedures Act Yes No
 - b. Truth in Lending Legislation Yes No
 - c. Equal Credit Opportunity Legislation Yes No
15. Does the Insured have written policies with respect to the above as shown in question 14. (a., b., or c.), and are employees trained to comply)? Yes No
16. Are appraisals performed by in-house appraisers? Yes No
 If so, who assigns the appraisals (list the person's position)?

17. 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.

18. a. Please describe below how denials of credit are offered.

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

19. What percentage of the number of total loans originated are reviewed by separate quality control personnel? %
20. Does the Applicant obtain or anticipate revenues from any other services other than Loan Origination Activities? Yes No
 If so, please describe.

21. To what professional associations does the applicant firm belong?

22. Has the Applicant ever been required to repurchase any loan(s)?..... Yes No
 If so, please provide details as to when and what caused the repurchase.

23. a. Does the Applicant operate in states which require a Mortgage Broker or Mortgage Correspondent to be licensed?..... Yes No
 b. If "Yes," please confirm all licenses are in force. Yes No
 c. 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 status: _____

d. Does the applicant commingle Investor funds or any other funds required to be segregated by law or a third party?..... Yes No
 e. Does the applicant have a written procedural manual for employees to follow? Yes No
 f. Does the applicant have a formalized training program for newly hired employees?..... Yes No
 If "No" to question 23.e. or 23.f., how does the applicant train new employees and/or confirm that managers are performing according to company guidelines? _____

24. Does the Applicant participate in any telemarketing programs (either directly or indirectly)? Yes No
 If so, how does the Applicant protect itself from claims from consumers on "Do Not Call Lists/registries"?

INSURANCE AND CLAIM INFORMATION

25. Do you currently carry the following:
 a. Professional Liability Insurance? Yes No
 If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

b. Surety Bond? Yes No
 If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium

c. Fidelity Bond? Yes No
 If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium

d. General Liability Insurance?..... Yes No

If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium

26. Was prior coverage ever cancelled or nonrenewed? (OTHER THAN BEING NONRENEWED DUE TO THE CARRIER NO LONGER WRITING THIS TYPE OF COVERAGE) (NOT APPLICABLE TO MISSOURI APPLICANTS) Yes No

IF "YES," PLEASE EXPLAIN REASON FOR NON-RENEWAL OR CANCELLATION.

27. 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," how many? _____

If "Yes," provide full details for each circumstance.

28. 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," how many? _____

If "Yes," please complete a Claim Supplement/Potential Claim Supplement for each.

29. 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

IF "Yes," how many? _____

If there is knowledge of any such fact, circumstance, or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

30. a. Professional Liability \$_____ each wrongful act
Limit requested \$_____ aggregate

b. Professional Liability
Deductible requested \$_____ each wrongful act

Please include the following items with this application:

- a. Resumes of Key Senior Personnel
- b. Latest full year financial statement or annual report and Interim Financials

The undersigned authorized person, on behalf of the applicant, attests that to the best of his/her knowledge and belief the statements set forth herein are true. Although the signing of this Application Form does not bind the undersigned to effect insurance, the undersigned agrees that this application and the said statements shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy.

The undersigned authorized person on behalf of the applicant declares that the above statements are true, that neither the undersigned person nor the applicant has suppressed or misstated facts and that at the present time the applicant has no reason to anticipate any claims being brought against the applicant or any representative of the applicant or knowledge of any negligent act, error, omission or offense on the applicant's part or any representative of the applicant except as stated herein, and agrees that this Application Form shall be the basis of the contract between the applicant and the Company and shall be deemed a part hereof.

NEW YORK—WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Signing this form does not bind you to complete the insurance. Coverage will become effective upon approval of the application and issuance of the policy. It is agreed that this form will be the basis of the contract. Should a policy be issued, this form will be attached to and become a part of the policy.

Signature: _____

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

Date: _____
Month/Day/Year

Producer's Name

Area Code

Phone Number

Producer: Will you make the surplus line filing for this policy?..... Yes No

Your Surplus Lines Number: _____