

# Mortgage Brokers Application

Notice: The policy provides that the limit of liability available to pay judgments or settlements shall be reduced by amounts incurred for legal defense. Further, note that amounts incurred for legal defense shall be applied against the deductible amount.

The following information must accompany this proposal form and be considered part of the application:

- A. Latest annual report
- B. Latest year-end financial statement
- C. Latest 10-K and 10-Q reports filed with the SEC
- D. Promotional material distributed in connection with the service(s) provided

1. Name of Applicant: \_\_\_\_\_

2. Principle Address: \_\_\_\_\_

Applicant is:  Corporation  Partnership  Sole Proprietor

Total number of branches: \_\_\_\_\_

Number of branches with underwriting authority: \_\_\_\_\_

Total number of loan officers: \_\_\_\_\_

All other employees: \_\_\_\_\_

3. Limits of Liability and Deductibles Desired:

Annual Aggregate

- \$100,000
- \$300,000
- \$500,000
- \$1,000,000
- \$2,000,000
- \$3,000,000

Each Loss Deductible

- \$2,500
- \$5,000
- \$7,500
- \$10,000
- \$25,000
- \$50,000

4. Loan Origination Activity:	Last Twelve Months	Estimate Next Twelve Months
Single Family	\$ _____	\$ _____
Commercial	\$ _____	\$ _____
Income Producing	\$ _____	\$ _____
Construction	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____

Percent of government-backed loans originated compared to total loans originated in past twelve months: \_\_\_\_\_%

5. Is the applicant controlled, owned, or associated with any other firm, corporation, or company?  Yes  No  
If yes, please attach an explanation.

6. Applicant has continually been in business since: \_\_\_\_\_

7. During the last five years has the name of the applicant been changed, or has any other business been purchased, merged, or consolidated with applicant?  Yes  No

If yes, please give particulars: \_\_\_\_\_

8. Attach list of all subsidiaries for which coverage is requested and the date created or acquired:  
\_\_\_\_\_  
\_\_\_\_\_

9. Are external audits conducted regularly?  Yes  No  
 If yes, by whom? \_\_\_\_\_  
 How often? \_\_\_\_\_  
 If recommendations were made during the last two years' audits, were the recommendations implemented?  Yes  No  
 (Attach copy of most recent financial statement, 10-K, or annual report)
10. Does the applicant have or utilize a warehouse line of credit?  Yes  No
11. Repurchase activity during the last twelve months: \_\_\_\_\_  
 \_\_\_\_\_
12. Please state the percentage (if any) of total Loan Origination volume that results from Second Mortgage Lending: \_\_\_\_\_%
13. What percentage (if any) to total Loan Origination volume was funded by the applicant's warehouse line? \_\_\_\_\_%
14. Does the applicant have procedures to assure timely and proper disclosure of Good Faith Estimates and Truth in Lending Estimates: \_\_\_\_\_  
 \_\_\_\_\_
15. Does the applicant know of any violations (or potential violations) of laws in any of the following:  
 Real Estate Settlement Procedures Act:  Yes  No  
 Truth in Lending Legislation:  Yes  No  
 Equal Credit Opportunity:  Yes  No
16. Does the applicant have written policies with respects of regulations/laws outlined in question 15?  
 \_\_\_\_\_  
 \_\_\_\_\_
17. Are appraisals performed by in-house appraisers?  Yes  No
18. Of all mortgages handled in the last 12 months, indicate percentage breakdown of services provided:  
 Origination Only (processing applications for third party lenders): \_\_\_\_\_% Underwrite: \_\_\_\_\_%  
 Package and Sell: \_\_\_\_\_% Servicing: \_\_\_\_\_%  
 Other: \_\_\_\_\_%; explain: \_\_\_\_\_
19. Describe below how denials of credit are handled by the applicant firm: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
20. Does applicant operate in states that require a Mortgage Broker/Correspondent to be licensed?  Yes  No  
 If yes, confirm all licenses currently in force: \_\_\_\_\_
21. Has applicant ever been rejected for application with an investor or had correspondent relationship terminated with an investor?  Yes  No  
 If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
22. During the past five years has applicant or any predecessor in business or any of past or present partners, officers, directors, or employees been the subject of investigation, reprimand, disciplinary action, criticism, or filed complaint by FHA, VA, PMI carrier, any investor, authority, or governmental agency?  Yes  No  
 If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

23. Does applicant, or any person proposed to the insured, have knowledge or information of any act, error, or omission that could be expected to give rise to a claim or suit?  Yes  No

If yes, provide full details: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

24. Has any claim or suit ever been brought against the applicant and/or any predecessor company and/or person proposed to be insured?  Yes  No

If yes, provide full details (including date brought, name of claimant, nature of allegations, damages alleged, and final disposition and/or present status): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

25. With respect to other coverages presently carried by applicant, complete the following:

	Insurer	Limit	Expiration	Premium
Directors & Officers Liability	_____	_____	_____	_____
Fidelity Bond	_____	_____	_____	_____
Mortgage Broker Prof.	_____	_____	_____	_____

This application does not bind the applicant or the underwriters to complete the insurance, but it is agreed that this form shall be the basis of the contract should a policy be issued, and it will be attached to and made a part of the policy. The undersigned applicant declares that to the best of his or her knowledge the statements set forth in this application are true. The applicant further declares that if the information supplied on this application changes between the date of this application and the time when the policy is issued, the applicant will immediately notify the underwriters of such change. Please read the following statement carefully and sign below where indicated.

The Insured hereby acknowledges that he/she is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability on this policy.

The Insured hereby further acknowledges that he/she is aware that legal defense costs that are incurred shall be applied against the deductible amount.

Producer: \_\_\_\_\_ Insured: \_\_\_\_\_

Address: \_\_\_\_\_ By: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_