



**MORTGAGE BROKERS/BANKERS PROFESSIONAL LIABILITY,
FINANCIAL INSTITUTION BOND STANDARD FORM NO. 15,
AND EMPLOYMENT PRACTICES LIABILITY INSURANCE APPLICATION**

NOTICE: IF A PROFESSIONAL LIABILITY POLICY IS ISSUED OR IF EMPLOYMENT PRACTICES COVERAGE IS PROVIDED, IT WILL BE ON A CLAIMS MADE BASIS, WHICH MEANS THAT THIS POLICY WILL APPLY ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. IF EMPLOYMENT PRACTICES LIABILITY COVERAGE IS PURCHASED, IT WILL BECOME PART OF THE PROFESSIONAL LIABILITY POLICY. IF A BOND IS ISSUED, IT WILL BE ON A DISCOVERY BASIS. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. PLEASE READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

Section One: **Required Attachments

Please attach the following items to this application:

- Resumes of all principals and key employees
- Financial statements with notes

Section Two: General Information

1. Name of the **Applicant**: _____
Address: _____
City: _____ State: _____ ZIP: _____
Email address: _____
2. Year established: _____
3. Has there been any change in ownership or management within the past three (3) years? Yes No
If "Yes," please explain: _____

4. Is the **Applicant** controlled or owned by, or associated or affiliated with, or does it own, any other firm or business enterprise? Yes No
If "Yes," please attach an explanation.
Are any mortgage banking activities provided to these enterprises? Yes No
If "Yes," these activities are what percentage (%) of gross revenues? _____%
5. Please indicate the number of:
 - a. Professionals: _____
 - b. Non-professionals (clerical): _____
 - c. Total number of employees: _____
 - d. Number of independent employment contractors: _____
 - e. Number of locations: _____

6. Please provide the following:

| NAMES OF ALL PARTNERS, PRINCIPALS AND KEY EMPLOYEES | PROFESSIONAL QUALIFICATIONS/DESIGNATIONS | # OF YEARS IN PRACTICE | # OF YEARS WITH APPLICANT |
|--|---|---------------------------|------------------------------|
| | | | |
| | | | |
| | | | |

7. Please list professional associations to which the **Applicant** belongs: _____

8. Please indicate the annual gross revenues for the past two (2) years and the projected estimated gross revenue for the first full year (must be completed for quotation):

| YEAR | ANNUAL GROSS REVENUE |
|-----------------------------------|----------------------|
| a. Current Year's Annual Estimate | \$ _____ |
| b. Prior Year Actual | \$ _____ |
| c. Prior two (2) Years Actual | \$ _____ |

9. Does the **Applicant** have a written procedural manual for employees to follow? Yes No

10. Does the **Applicant** have a formalized training program for newly hired employees? Yes No

11. **MISSOURI APPLICANTS/AGENTS: DO NOT ANSWER THIS QUESTION.**

Has any insurance ever been declined or canceled? Yes No
 If "Yes," please attach an explanation.

12. Is any errors and omissions or professional liability insurance currently in force? Yes No
 If "Yes," please indicate:

Name of insurer: _____
 Expiration date: _____ Limit: _____
 Deductible: _____ Premium: _____
 Length of time coverage has been continuously in force (if claims made): _____

13. Is any fidelity bond currently in force? Yes No
 If "Yes," please indicate:

Name of insurer: _____
 Expiration date: _____ Limit: _____
 Deductible: _____ Premium: _____

14. Is any employment practices liability insurance currently in force? Yes No
 If "Yes," please indicate:

Name of insurer: _____
 Expiration date: _____ Limit: _____
 Deductible: _____ Premium: _____

Section Three: Professional Liability

15. Professional Liability Limits of Liability desired: \$ _____ each Claim or Related Claims.
 \$ _____ aggregate for all Claims.
 Deductible desired: \$ _____

16. Please indicate the number and the dollar volume of loans handled by the **Applicant** during the last twelve (12) months: (If business is a start-up, please provide estimated values.)

| TYPE | ORIGINATION | | SERVICING | |
|----------------------------|-------------|---------------|------------|---------------|
| | # of Loans | Dollar Amount | # of Loans | Dollar Amount |
| Residential (1-4 family): | | | | |
| Residential (multifamily): | | | | |
| Commercial: | | | | |
| Construction Loans: | | | | |
| Other (please describe): | | | | |
| Total: | | | | |

17. Please indicate the largest single mortgage originated during the last twelve (12) months: \$ _____

18. What percentage (%) of all loans are refinances? _____%

19. What percentage (%) of all loans are second mortgages? _____%

Servicing: If no servicing, please check here: None

20. Regarding all loans serviced:

a. What percentage (%) of all loans serviced are delinquent?
 from 30 - 59 days: _____% from 60 - 89 days: _____% 90 days or more: _____%

b. What are the procedures for monitoring and curing these delinquencies? _____

c. What is the largest loan serviced over the past three (3) years? \$ _____

Selling: If no selling, please check here: None

21. a. What percentage (%) of loans sold over the past year were sold "with recourse"? _____%

b. Have any loans sold been "put back" with the **Applicant** over the past year? Yes No
 If "Yes," indicate the number of loans: _____ Aggregate principal amount: \$ _____

Please describe circumstances: _____

22. Please answer the following questions with regard to all funding of mortgages.

If the **Applicant** does not participate in any funding services, please check here: **None**

a. Are all mortgages funded directly by the investors? Yes No

b. Are mortgages that are funded by the **Applicant** funded only after obtaining an advance written purchase commitment from investors? Yes No

c. Describe all sources of funds, warehousing arrangements, etc.: _____

23. Does the **Applicant** perform a quality control review of the documents originated by its own loan production staff or of those received from correspondent sources that are closed by the **Applicant's** staff? Yes No
- a. If "Yes," what percentage (%) of the **Applicant's** originations are reviewed? _____%
- b. If "Yes," what percentage (%) of submissions received from correspondents are reviewed? _____%
- c. How often does an outside firm perform audits? _____
24. Does any director, officer, employee, or partner of the **Applicant** have knowledge or information of any act, error, omission, or circumstance that might reasonably be expected to give rise to a claim under the Professional Liability coverage for which this Application is being made? Yes No
If "Yes," please attach an explanation.
25. Has the **Applicant** or any director, officer, employee, or partner of the **Applicant** ever been the subject of disciplinary action as a result of professional activities? Yes No
If "Yes," please attach an explanation.
26. Please attach a list and status of all errors and omissions claims made during the past three (3) years against the **Applicant** or any director, officer, employee, or partner of the **Applicant**.
If none, please check here: None
27. The basic Professional Liability policy for which the **Applicant** has applied will not cover acts committed before the inception date of the policy. If the **Applicant** desires a quote for these prior acts, please enter the date from which the **Applicant** wants prior acts covered: _____.

Without prejudice to any other rights and remedies of the Underwriter, any claim based on or directly or indirectly arising out of or resulting from any claim, suit, circumstance, allegation, or contention required to be disclosed in response to Questions 24-26 is excluded from the proposed insurance.

**Section Four: Financial Institution Bond Standard Form No. 15
(Please complete only if this coverage is desired.)**

28. Financial Institution Bond Limit of Liability and Deductible desired:

| <u>FORM OF COVERAGE</u> | <u>SINGLE LOSS LIMIT</u> | <u>SINGLE LOSS DEDUCTIBLE</u> |
|--------------------------------------|--------------------------|-------------------------------|
| Agreements (A), (B), (C), and (F) | \$ _____ | \$ _____ |
| Agreement (D) Forgery and Alteration | \$ _____ | \$ _____ |
| Agreement (E) Securities | \$ _____ | \$ _____ |

29. AUDIT PROCEDURES:

- a. Is there an annual or semiannual audit by an independent CPA? Yes No
- b. If "Yes," is it a complete audit made in accordance with generally accepted auditing standards and so certified? Yes No
- c. If the answer to (b) is "No," please explain the scope of the CPA's examination:
- i. Is the audit report rendered directly to all partners (if a partnership) or to the Board of Directors (if a corporation)? Yes No
- ii. Were any recommendations or criticisms made in the most recent audits? Yes No
- iii. Have all of the recommendations or criticisms been corrected? Yes No
- iv. Name and location of CPA: _____
- v. Date of completion of the last audit by CPA: _____
- d. Is there a continuous internal audit by an Internal Audit Department? Yes No
- e. If "Yes," are monthly reports rendered directly to all partners (if a partnership) or to the Board of Directors (if a corporation)? Yes No
- f. Are money and securities actually counted and verified? Yes No
- g. How often are loan balances verified? _____

30. INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES):
- a. Is there a formal, planned program requiring segregation of duties so that no single transaction can be fully controlled, from origination to posting, by one person? Yes No
 - b. Are bank accounts reconciled by someone not authorized to deposit or withdraw? Yes No
If "No," please explain: _____
 - c. Is countersignature of checks (including escrow accounts) required? Yes No
If "No," please explain: _____
31. Does any director, officer, employee, or partner of the **Applicant** have knowledge or information of any act, error, omission, or circumstance which might reasonably be expected to give rise to a claim under the Bond coverage for which this Application is being made? Yes No
If "Yes," please attach an explanation.
32. Please provide a detailed list of all bond losses sustained during the past three (3) years, whether reimbursed or not, including date, type and amount of loss, amount recovered under insurance, and amount recovered from sources other than insurance, from _____ to _____.
If none, please check here: None

Without prejudice to any other rights and remedies of the Underwriter, any claim based on or directly or indirectly arising out of or resulting from any claim, suit, circumstance, allegation, or contention required to be disclosed in response to Questions 31-32 is excluded from the proposed insurance.

Section Five: Employment Practices Liability Insurance (This coverage can only be purchased in combination with Professional Liability coverage. Please complete only if this coverage is desired.)

33. **MISSOURI APPLICANTS/AGENTS: DO NOT ANSWER THIS QUESTION.**
Have any of the **Applicant's** Employment Practices Liability carriers indicated an intent not to offer renewal terms? Yes No
If "Yes," please provide details as an attachment.
34. Does the **Applicant** anticipate any facility, branch or office closing, consolidations, or layoffs within the next twenty-four (24) months? Yes No
If "Yes," please provide details as an attachment.
35. Total number of employees:
- a. Currently: _____
One (1) year ago: _____
Two (2) years ago: _____
 - b. How many employees or officers have been terminated in the past two (2) years? _____
 - c. What percentage (%) of employee turnover has the **Applicant** experienced in the past two (2) years? _____%
36. Does the **Applicant**:
- a. Have a full-time human resources coordinator? Yes No
 - b. Have a written policy with respect to sexual harassment? Yes No
 - c. Have written annual evaluations for employees? Yes No
 - d. Have a written policy with respect to progressive discipline for employees? Yes No
 - e. Have a written policy for Family Medical Leave? Yes No
 - f. Have a written human resources manual or equivalent written guidelines? Yes No
 - g. Use outside counsel for employment advice? Yes No
 - h. Have any collective bargaining agreements? Yes No
(If "Yes," please describe and provide the total number of employees subject to such agreements.)

37. Past activities:

- a. Please attach a list and status of all employment-related claims or complaints made during the past three (3) years against the **Applicant** or any director, officer, employee, or partner of the **Applicant**. Please include those claims made to the Equal Employment Opportunity Commission or other similar state or local authority. If none, check here: None
- b. Does any director, officer, employee, or partner of the **Applicant** have knowledge or information of any employment-related incident which might reasonably be expected to give rise to a claim or complaint? Yes No
If "Yes," please provide a detailed description of each such incident. _____

Without prejudice to any other rights and remedies of the Underwriter, any claim based on or directly or indirectly arising out of or resulting from any claim, suit, circumstance, allegation, or contention required to be disclosed in response to Questions 37a. and 37b. is excluded from the proposed insurance.

NOTICE TO APPLICANT - PLEASE READ CAREFULLY.

FOR THE PURPOSES OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF ALL PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION, AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE. THE COMPANY IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. ACCEPTING THIS APPLICATION DOES NOT BIND THE COMPANY TO ISSUE A POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE COMPANY AND IS CONSIDERED PHYSICALLY ATTACHED TO THIS APPLICATION. THIS APPLICATION AND SUCH INFORMATION WILL BECOME PART OF, AND BE CONSIDERED PHYSICALLY ATTACHED TO, ANY POLICY ISSUED AS A RESULT OF THIS APPLICATION. IF, AS A RESULT OF THIS APPLICATION, A POLICY IS ISSUED, THE COMPANY WILL HAVE RELIED UPON THIS APPLICATION AND ON SUCH ATTACHMENTS.

IF THE STATEMENTS IN THIS APPLICATION OR IN ANY ATTACHMENT MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT FOR THE PROFESSIONAL LIABILITY POLICY (INCLUDING EMPLOYMENT PRACTICES COVERAGE IF PURCHASED):

- (I) **THE POLICY FOR WHICH APPLICATION IS MADE WILL APPLY ONLY TO CLAIMS FIRST MADE OR DEEMED MADE DURING THE PERIOD IN WHICH THE POLICY IS IN EFFECT;**
- (II) **THE LIMITS OF LIABILITY CONTAINED IN THE POLICY WILL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY THE PAYMENT OF DEFENSE EXPENSES AND, IN SUCH EVENT, THE COMPANY WILL NOT BE RESPONSIBLE FOR THE CONTINUED DEFENSE OF ANY CLAIM OR BE LIABLE FOR THE DEFENSE EXPENSES OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY; AND**
- (III) **DEFENSE EXPENSES WILL BE APPLIED AGAINST ANY APPLICABLE DEDUCTIBLE.**

NOTICE TO ARKANSAS, MINNESOTA, AND OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD, WHICH IS A CRIME.

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO MAINE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: 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.

NOTICE TO OKLAHOMA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO OREGON AND TEXAS APPLICANTS: ANY PERSON WHO MAKES AN INTENTIONAL MISSTATEMENT THAT IS MATERIAL TO THE RISK MAY BE FOUND GUILTY OF INSURANCE FRAUD BY A COURT OF LAW.

NOTICE TO PENNSYLVANIA APPLICANTS: 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.

****Required Attachments**

Please attach the following items to this application:

- Resumes of all principals and key employees
- Financial statements with notes

| | | |
|--|--------|-------|
| APPLICANT: | | |
| BY (<i>President, Chairman, or CEO</i>): | TITLE: | DATE: |

NOTE: This Application must be signed by the President, Chairman, or CEO of the **Applicant** acting as the authorized agent of the person(s) and entity(ies) proposed for this insurance.

REQUIRED INFORMATION

| | | |
|--|-------------------------------------|-----------------------|
| PRODUCED BY (<i>Insurance Agent or Broker</i>): Please print and sign name _____ | | |
| FIRM NAME: | | |
| TAXPAYER ID OR SOCIAL SECURITY NO.: | PRODUCER LICENSE NO.: | |
| ADDRESS (<i>No., Street, City, State, and ZIP</i>): | | |
| EMAIL ADDRESS: | | |
| SUBMITTED BY (<i>Firm</i>): | TAXPAYER ID OR SOCIAL SECURITY NO.: | PRODUCER LICENSE NO.: |
| ADDRESS (<i>No., Street, City, State, and ZIP</i>): | | |