

## MORTGAGE BROKERS ERRORS & OMISSIONS APPLICATION

<b><u>Please include the following with your application:</u></b>	1. Sample processing forms. 2. Sample loan correspondent contract.
APPLICANT NAME:	
BUSINESS NAME:	
BUSINESS ADDRESS:	
DATE OF COMPANY FORMATION:	

1. Number of staff: Principals/Owners \_\_\_\_\_ Servicers \_\_\_\_\_ Clerical/Receptionist \_\_\_\_\_  
 Originators \_\_\_\_\_ Underwriters \_\_\_\_\_ Processors \_\_\_\_\_ Closers \_\_\_\_\_  
 All Others (specify) \_\_\_\_\_ Total \_\_\_\_\_

2. What is your estimated total annual gross receipts for the coming year? \$ \_\_\_\_\_  
 Indicate the following for loans handled in the last year:

Service Area	# of Loans	Total Value	Avg. Value	Max. Value	% of Gross Receipts
Loan Origination		\$	\$	\$	
Loan Underwriting		\$	\$	\$	
Loan Servicing		\$	\$	\$	
Loan Warehousing		\$	\$	\$	

Describe any other services: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Do you or any of your employees or related entities perform property appraisals?  No  Yes

4. Provide a percentage breakdown of mortgages originated in the following areas:

	Existing	New Construction
Residential	%	%
Commercial (inc. income producing properties)	%	%
Other (describe)	%	%

5. Estimated loans in applicant's servicing portfolio requiring collection of Real Estate Tax escrow?  
 \_\_\_\_\_%

6. Describe procedures in place to determine if real estate property taxes have been paid. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Does the applicant fund loans via a warehouse line or any other means in your name?  No  Yes

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

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8. Does the applicant hold funded loans for more than 8 months? ?  No  Yes  
 If yes, provide details: \_\_\_\_\_
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9. Does the applicant fund any loans without having advance written commitment from an investor?  No  Yes  
 If yes, provide details: \_\_\_\_\_
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10. Does the applicant have a fidelity bond?  No  Yes
11. Does the applicant have written procedures for quality control compliance in:  
 Truth in Lending:  No  Yes  
 Equal Credit Opportunity Act:  No  Yes  
 Real Estate Settlement Procedures Act:  No  Yes
12. Describe your internal audit practices and procedures (i.e. does the applicant perform internal audits; which areas of the services you provide are audited; how frequently are these audits performed, etc.)  
 \_\_\_\_\_  
 \_\_\_\_\_
- 
13. Are there any external audits performed?  No  Yes  
 If yes, who performs them and how frequently? \_\_\_\_\_
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14. Have there been any complaints or criticisms as a result of an audit in the past two years? If yes, provide details: \_\_\_\_\_
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15. Has the applicant ever been rejected for application with an investor or had a correspondent relationship terminated with an investor?  No  Yes  
 If yes, provide explanation regarding circumstances: \_\_\_\_\_
- 
16. Are duties segregated so that no single individual has both custodial and accounting authority over the applicant's funds and activities?  No  Yes
17. Does the applicant attend closings/escrows?  No  Yes  
 If yes, describe your role: \_\_\_\_\_
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17. Total number of closings/escrows estimated for coming year? \_\_\_\_\_
18. Does your firm:  
 Perform escrow services according to written instructions only?  No  Yes  
 Require signatures on any changes to written instructions?  No  Yes  
 Require each person's work to be checked by another?  No  Yes  
 Require "good funds" at closing?  No  Yes  
 Require each person's work to be checked by another?  No  Yes
19. Have you had any E&O claims brought against you/company in the past 7 years?  No  Yes  
 If Yes, please complete the attached supplemental claim questionnaire.

20. Do you currently carry Professional Liability/Errors & Omissions Insurance covering your appraisal activities?  No  Yes

If Yes, please complete the following concerning your expiring coverage:

Retroactive Date: \_\_\_\_\_ (attach a copy of the Declarations page from your current coverage)

Insurance Carrier: \_\_\_\_\_ Limits: \_\_\_\_\_

Deductible: \_\_\_\_\_ Premium: \_\_\_\_\_

Is current carrier willing to renew coverage?  No  Yes

If No, please provide details: \_\_\_\_\_

21. Requested limits of Errors & Omissions Insurance:

\_\_\_\_\_ 100/100 \_\_\_\_\_ 250/250 \_\_\_\_\_ 500/500 \_\_\_\_\_ 1 mil/1 mil

\_\_\_\_\_ Other: \_\_\_\_\_

Requested deductible:

\_\_\_\_\_ \$1000 \_\_\_\_\_ \$2500 \_\_\_\_\_ \$5000 \_\_\_\_\_ \$7500 \_\_\_\_\_ \$10000

\_\_\_\_\_ Other: \_\_\_\_\_

I/We agree and understand this supplement becomes part of the application which forms a part of the policy. This information is true and correct to the best of my/our knowledge.

\* 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, may be committing a fraudulent insurance act, and may be subject to a civil penalty or fine.

\* not applicable in all states

\_\_\_\_\_  
Firm Partner/Owner Signature

\_\_\_\_\_  
Date