

STATESIDE UNDERWRITING AGENCY
5435 Bull Valley Road, Suite 212
McHenry, IL 60050

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 RENEWAL APPLICATION
THIS IS A RENEWAL APPLICATION FOR A CLAIMS MADE AND REPORTED POLICY.

***ALSO INCLUDE WITH THIS APPLICATION 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. a. Number of new locations (if different from last years' application): _____ List Name and address for each new location (on a separate sheet if necessary): _____

b. Number of Locations with Underwriting Authority: _____

3. a. Has there been any change in company status (i.e. Sole Proprietor to Corporation)? Yes No
 If "Yes," please list: _____

b. Has there been any change in ownership and/or management in the past 12 months? Yes No
 If "Yes," explain: _____

c. In the past 12 months, any change in 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.

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

5. Mortgage Banking / Brokering 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 _____ %
- Mobile Home Lending _____ %
- Sub-Prime (please describe _____) _____ %
- Other (please describe _____) _____ %

If Sub-Prime Loans are made the Sub-Prime Supplemental needs to be completed.

6. List current number of employees by the following activities

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

d. Independent Loan Originators acting as Independent Contractors (ICs) _____

(Is coverage desired for these Independent Contractors)..... Yes No

(Please note coverage for ICs is only available if quoted by underwriters and coverage is only provide for ICs that do only loan origination services the Applicant and do not work for anyone else.)

7. Please confirm that there have been no material changes in procedures or policies utilized by the insured since last year's application was completed No Material Changes
 Yes, Material Changes. If yes, Please describe the changes on a separate page.
8. Has the company engaged in any new business practices over the last 12 months? If so, please detail.. Yes No

PROFESSIONAL LIABILITY

9. Does the Applicant obtain or anticipate revenues from any other services other than Loan Origination Activities? Yes No
 If so, please describe.

10. Has the Applicant been required to repurchase any loan(s) in the last 12 months? Yes No
 If so, please provide details as to when and what caused the repurchase.

11. Please confirm the Applicant has procedures to assure timely and proper disclosure of Good Faith Estimates and Truth in Lending Estimates Yes No

12. 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

13. 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.

14. 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.

15. 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"?

16. Does the Applicant utilize Automated Valuations and compare to on site appraisals:
- Before Closing Yes No
 - Post Closing Yes No

17. a. Does the Applicant utilize a tracking system throughout the loan process such as "ENCOMPASS" or other similar system? Yes No
- b. Does the Applicant utilize a checklist (manual or automated) to confirm all appropriate steps have been accomplished? Yes No

18. Please confirm that the Applicant has dual controls in place so that no single person can control the loan throughout the entire loan origination or underwriting process?..... Yes No

19. Does the applicant utilize MARI for:
- a. New employees?..... Yes No
 - b. New Mortgage Brokers?..... Yes No
 - c. Closing Agents?..... Yes No

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

21. Does the Applicant's Quality Control function include a new originator review and a review of new branches (if applicable)?..... Yes No

22. If the Applicant deals with correspondents, are these loans underwritten at the branch level?
 Yes No Not Applicable
23. Does the Applicant use Lexus or similar search systems to check on new employees?..... Yes No
24. Does the Applicant have a compliance officer or similar position?..... Yes No

MORTGAGE BANKER/BROKER BOND

25. Fidelity protection in connection with the administration of the company's pension fund and/or employee welfare or pension benefit plan by employees is automatically included in the bond if the plan is named. Please provide name of plan(s), if any: _____
26. B. List Loss Payee Requirements for Investors/ Loan Funders if different from last year: _____
27. Has the company any knowledge or information, after full inquiry, of any facts, circumstances or events which could give rise to a Mortgage Bankers Bond loss (or claim being made against them)? Yes No

The undersigned authorized person, on behalf of the Applicant, attest that all claims have been reported if the Applicant is aware of them. The Applicant further understands that any claim submitted after the completion of this application shall render any terms provided void and Underwriters shall have the right to re-underwrite the Applicant. In addition, no information provided by this application or along with this application shall be deemed to report a claim. Such notice should be made as instructed by the policy.

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