



Application For Financial Institution Bond, Standard Form No. 15 For Mortgage Bankers and Finance Companies

Application is hereby made by _____

(Please attach a list of all Insureds, including Employee Benefit Plans)

Principal Address _____ City _____ Province _____ Postal Code _____

Policy Effective Period _____ to _____

in the Aggregate Limit of Liability of \$ _____ Date Insured was Established _____

Name of Prior Carrier _____ Website _____

1. Description of Organization

Yes

No

1. Insured is a (check the appropriate box):

☐ Mortgage Banker

☐ Small Loan Company

☐ Dealer in Mortgages

☐ Dealer in Commercial Paper

☐ Title Insurance Company Principally engaged in the mortgage business

☐ Real Estate Investment Trust

☐ Note Broker

☐ Small Business Investment Company

☐ Finance Company

☐ Other _____

2. Insured is a (check the appropriate box):

☐ Sole Proprietorship

☐ Partnership

☐ Corporation

3. Do you or any of your subsidiaries operate in any capacity differently than what is listed above?

☐

☐

If yes, please describe _____

4. Are you licensed to do business in all provinces?

☐

☐

If no, identify those provinces in which you are licensed:

5. For all Insureds, show the total number of:

No. of

a. Salaried officers & employees, retained attorneys and persons provided by employment contractors

b. Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands

c. Locations outside Canada, the U.S., Puerto Rico and Virgin Islands, list below:

Location

Location

6. Complete the following:

Total Assets

Total Revenue

Net Income

Equity Position

a. As of latest Dec. 31 \$ _____ \$ _____ \$ _____ \$ _____

b. As of latest June 30 \$ _____ \$ _____ \$ _____ \$ _____

2. Exposure Information

Yes

No

1. Total amount loaned
 - a. Loan Origination Volume: Number of Loans _____ Dollar Value _____
 - b. Loan Servicing Volume: Number of Loans _____ Dollar Value _____
 - c. What percentage of the Insured's loan portfolio is securitized by the Insured? _____ %
2. Types of Investors – please provide percentage or indicate N/A
 - a. Sold to Fannie Mae/Freddie Mac _____ % ☐ NA
 - b. Sold to Other Institutional Investors (please describe) _____ % ☐ NA
 - c. Sold to Individual Investors _____ % ☐ NA
 - d. Held in Insured's Portfolio _____ % ☐ NA
 - e. Other (describe) _____ % ☐ NA
3. Any subprime lending exposure? If yes what percentage of accounts? ☐ ☐
4. Have you introduced any new Loan Products in the past 12 months? ☐ ☐
5. What is the average FICO score? ☐ ☐
6. What percentage of loans are past due 90+days? ☐ ☐
7. Any exposure to cryptocurrency? Please describe _____ ☐ ☐

3. Optional Coverages

Yes

No

Single Loss Limit

1. Complete the following for optional coverages desired:
 - a. Is Insuring Agreement (D) - Forgery or Alteration Coverage desired? ☐ ☐ \$ _____
 - b. Is Insuring Agreement (E) - Securities Coverage desired? ☐ ☐ \$ _____
 - c. Is Trading Loss Coverage desired? ☐ ☐ \$ _____
 - d. Is Computer Systems Fraud Coverage desired? ☐ ☐ \$ _____

If yes, complete the following:

1. Insured's Computer System(s)
For the Computer System(s) you operate, whether owned or leased, complete the following:
 - a. Number of independent software contractors authorized to design, implement or service programs for your System(s) _____
 - b. Is access to your System(s) by customers, or other outside parties permitted? ☐ ☐

2. Other Computer Systems
List below other Computer System(s) for which coverage is desired:

Computer System(s)

- e. Is coverage desired on businesses engaged in the data processing of your cheques or other accounting records? ☐ ☐

If yes, list below the name and location of each data processor:

Name & Location

Name & Location

3. Optional Coverages *continued*

Yes

No

- f. Is coverage desired on closing attorneys retained by you to prepare deeds, investigate titles of real property or otherwise assist in the making of mortgage loans? *(Title Insurance Companies only)*

☐☐

If yes, list below the name and location of each closing attorney:

Name & Location

Name & Location

2. Are you a seller or servicer of any secondary mortgage markets?

☐☐

If yes, list all that apply: _____

3. For deductibles, complete the following: *(NOTE: Deductibles on Insuring Agreements(D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Extortion Coverage may be written in any amount.)*

Coverage

Single Loss Deductible

- a. All coverages except Insuring Agreements (D), (E) and Extortion

\$ _____

- b. Insuring Agreement (D) - Forgery or Alteration

\$ _____

- c. Insuring Agreement (E) - Securities

\$ _____

4. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations: _____

5. If coverage is being written on a coinsurance basis, show your percentage participation _____%.

(NOTE: Insured may assume a participation of between 5% and 25%.)

4. Audit Procedures

Yes

No

1. Is there an ☐ annual ☐ semi-annual, audit by an independent Firm of Chartered Accountants?

☐☐

- a. If yes, is it a complete audit made in accordance with generally accepted auditing standards and so certified?

☐☐

- b. If the answer to (a) is no, explain the scope of the CA's examination _____

2. Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation?

☐☐

3. Name and location of CA _____

4. Date of completion of the last audit by CA _____

5. Is there a continuous internal audit by an Internal Audit Department?

☐☐

- a. If yes, are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation?

☐☐

6. Are money and securities actually counted and verified?

☐☐

7. Are the ledger balances to the credit of customers verified?

☐☐

8. How often are loan balances verified? _____

5. Internal Controls

	Yes	No
1. Do you require annual vacations of at least two consecutive weeks for all personnel? If no , explain	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there a formal, planned program requiring the segregation of duties so that no single transaction can be fully controlled from origination to posting by one person? If no , explain:	<input type="checkbox"/>	<input type="checkbox"/>
3. Are bank accounts reconciled by someone not authorized to deposit or withdraw? If no , explain	<input type="checkbox"/>	<input type="checkbox"/>
4. Is countersignature of cheques <i>(including escrow accounts)</i> required? If no , explain	<input type="checkbox"/>	<input type="checkbox"/>
5. Are monthly statements <i>(whether or not there was activity in the account)</i> mailed directly to all customers? If no , explain	<input type="checkbox"/>	<input type="checkbox"/>
6. Has there been any change in ownership or management within the past three years? If yes , explain	<input type="checkbox"/>	<input type="checkbox"/>
7. Has any insurance been declined or canceled during the past three years? If yes , explain	<input type="checkbox"/>	<input type="checkbox"/>
8. Have you hired or retained persons with prior convictions? If yes , do you have Employees working in the State of New York? If yes to (b) , do you weigh the factors the factors set out in New York State Corrections Law Article 23-A in making the determination to hire or retain such persons?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment?	<input type="checkbox"/>	<input type="checkbox"/>
10. Please confirm that the Insured has dual controls in place so that no single person can control the loan throughout the entire loan origination and underwriting process?	<input type="checkbox"/>	<input type="checkbox"/>
11. Are there segregation of duties between loan servicing and loan origination?	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the Insured have a fraud guard protection system or similar procedure to verify legitimacy of borrowers such as by checking social security numbers or another method to confirm borrower identity?	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the Insured commingle Investor funds, or any other funds, that are required to be segregated by statute or a third party?	<input type="checkbox"/>	<input type="checkbox"/>

6. Loss History

List all losses sustained during the past three years, whether reimbursed or not, from _____ to _____

Check if none ☐

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location

NOTICE TO 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.

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

This document was issued or made by the Company in the course of its insurance business in Canada.

Applicant Signature _____ Title _____ Date _____

Producer Signature _____ Title _____ Date _____