



# 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 \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Policy Effective Period \_\_\_\_\_ to \_\_\_\_\_

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

Name of Prior Carrier \_\_\_\_\_ Website \_\_\_\_\_

## 1. Description of Organization

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

☐ Mortgage Banker

☐ Real Estate Investment Trust

☐ Small Loan Company

☐ Note Broker

☐ Dealer in Mortgages

☐ Small Business Investment Company

☐ Dealer in Commercial Paper

☐ Finance Company

☐ Title Insurance Company Principally engaged in the mortgage business

☐ 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? ☐ Yes ☐ No  
If yes, please describe

4. Identify the states in which you are licensed to do business:

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 the U.S., Canada, 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 _____ %	<input type="checkbox"/>	NA
b. Sold to Other Institutional Investors (please describe) _____ %	<input type="checkbox"/>	NA
c. Sold to Individual Investors _____ %	<input type="checkbox"/>	NA
d. Held in Insured's Portfolio _____ %	<input type="checkbox"/>	NA
e. Other (describe) _____ %	<input type="checkbox"/>	NA
3. Any subprime lending exposure? If yes what percentage of accounts?	<input type="checkbox"/>	<input type="checkbox"/>
4. Have you introduced any new Loan Products in the past 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
5. What is the average FICO score?	<input type="checkbox"/>	<input type="checkbox"/>
6. What percentage of loans are past due 90+days?	<input type="checkbox"/>	<input type="checkbox"/>
7. Any exposure to cryptocurrency? Please describe _____	<input type="checkbox"/>	<input type="checkbox"/>

**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?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
b. Is Insuring Agreement (E) - Securities Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
c. Is Trading Loss Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
d. Is Computer Systems Fraud Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

**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 checks 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. Check the appropriate box(es) if you are a seller or servicer of secondary market mortgages of:

☐ Freddie Mac ☐ Fannie Mae ☐ Ginnie Mae ☐ Other Agencies \_\_\_\_\_

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 CPA?

☐
☐

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

☐
☐

b. If the answer to (b) is no, explain the scope of the CPA'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 CPA \_\_\_\_\_

4. Date of completion of the last audit by CPA \_\_\_\_\_

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? <b>If no</b> , 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? <b>If no</b> , explain:	<input type="checkbox"/>	<input type="checkbox"/>
3. Are bank accounts reconciled by someone not authorized to deposit or withdraw? <b>If no</b> , explain:	<input type="checkbox"/>	<input type="checkbox"/>
4. Is countersignature of checks ( <i>including escrow accounts</i> ) required? <b>If no</b> , 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? <b>If no</b> , explain:	<input type="checkbox"/>	<input type="checkbox"/>
6. Has there been any change in ownership or management within the past three years? <b>If yes</b> , explain:	<input type="checkbox"/>	<input type="checkbox"/>
7. Has any insurance been declined or canceled during the past three years? <b>If yes</b> , explain:	<input type="checkbox"/>	<input type="checkbox"/>
8. a. Have you hired or retained persons with prior convictions?	<input type="checkbox"/>	<input type="checkbox"/>
b. <b>If yes</b> , do you have Employees working in the State of New York?	<input type="checkbox"/>	<input type="checkbox"/>
c. <b>If yes to (b)</b> , do you weigh 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"/>
d. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment?	<input type="checkbox"/>	<input type="checkbox"/>
9. 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"/>
10. Are there segregation of duties between loan servicing and loan origination?	<input type="checkbox"/>	<input type="checkbox"/>
11. 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"/>
12. 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 ☐ (month/day/year) (month/day/year)

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

**Fraud Statements**

**Applicable in AL, AR, LA, NM, RI, and WV:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and/or confinement in prison. In Alabama, a person may also be subject to restitution.

**Applicable in CO, ME, TN, VA, WA:** 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, and/or a denial of insurance benefits. In Colorado, penalties may also include civil damages. In Colorado, any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder 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.

**Applicable in CA:** For your protection, California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Applicable in DC: WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**Applicable in FL:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**Applicable in KY:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

**Applicable in MD:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Applicable in NJ:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Applicable in NY:** 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 Statements Continued**

**Applicable in OH:** Any person who, with intent to defraud or knowing that he 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.

**Applicable in OK: WARNING:** 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.

**Applicable in OR:** This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto. All statements made by or on behalf of the insured, in the absence of fraud, shall be deemed representations and not warranties. No such statements that arise from an error in the application shall be used in defense of a claim under the policy unless: (a) The statements are contained in a written application; and (b) A copy of the application is indorsed upon or attached to the policy when issued. In order to use any representation by or on behalf of the insured in defense of a claim under the policy, the insurer must show that the representations are material and that the insurer relied on them.

**Applicable in PA:** 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.

**Applicable in other states:** Your policy may be void in any case of fraud, intentional concealment or misrepresentation of material fact by you in securing this insurance.

**THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.**

**Applicant Signature** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_

**Producer Signature** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_