

THIS IS A CLAIMS MADE AND REPORTED INSURANCE POLICY. READ IT CAREFULLY.

**MORTGAGE BROKERS/MORTGAGE BANKERS
SUPPLEMENTAL APPLICATION**

Name of Applicant's Firm: _____

Street Address: _____

City, State, Zip: _____

1. Please indicate the percentages of the Applicant's total operations involving: (Must total 100%)
_____% Loan Underwriting
_____% Loan Servicing
_____% Loan Origination
2. Does the Applicant have a warehouse line of credit in place? ☐ Yes ☐ No
If yes, indicate amount of credit line: \$ _____
3. Does the Applicant originate any of the following types of mortgage loans? (If yes, indicate percentage of each to the Applicant's total loan volume.)

Sub-prime: YES _____% NO _____%
Reverse: YES _____% NO _____%
4. (a) Number of loans closed in the past year: _____
(b) Average Loan Value: \$ _____
(c) Maximum Loan Value: \$ _____
5. Do any of the Applicant's employees or employees of related entities perform property appraisals? ☐ Yes ☐ No
6. Does the Applicant always comply with the Truth-in-Lending Act, Equal Credit Opportunity Act, RESPA and HOEPA? ☐ Yes ☐ No
7. Does the Applicant engage in wholesale mortgage lending? ☐ Yes ☐ No
If yes, does the Applicant pay yield spread premiums or other fees to mortgage brokers that are not based on actual services rendered? ☐ Yes ☐ No
If yes, provide details:

8. Does the Applicant ever close loans in its own name or that of a related entity? ☐ Yes ☐ No
9. Is the Applicant a member of the Mortgage Bankers Association of America? ☐ Yes ☐ No

10. Does the Applicant or an affiliate/subsidiary entity have any ownership or equity interest in any property(ies) for which services are provided? ☐ Yes ☐ No

If yes, please describe interest(s):

11. Are there any other companies who own any percentage of the Applicant's company, does the Applicant own any percentage of any other company or is the Applicant in any other way affiliated with any other company? ☐ Yes ☐ No

(a) If yes, advise who they are and explain the nature and extent of the relationship(s).

(b) For which of these does the Applicant wish to extend coverage?

12. Does the Applicant have any written or oral agreements or understandings with any other company that involves the referral of business to or from the Applicant's company? ☐ Yes ☐ No

(a) If yes, advise who they are and explain the nature and extent of the agreements or understandings.

(b) If yes, advise if and how any compensation is exchanged under the agreements or understandings.

(c) If yes, advise whether the relationships between the companies are disclosed to the individuals involved in the transactions involving these referrals.

(d) Please indicate if any such written agreements and/or any such disclosures have been reviewed by an attorney.

13. Is the Applicant a party to an "affiliated business arrangement" as defined by the Real Estate Settlement Procedures Act?

☐ Yes ☐ No

THE REAL ESTATE SETTLEMENT PROCEDURES ACT DEFINES "AFFILIATED BUSINESS ARRANGEMENT" AS AN "ARRANGEMENT IN WHICH (A) A PERSON WHO IS IN A POSITION TO REFER BUSINESS INCIDENT TO OR A PART OF A REAL ESTATE SETTLEMENT SERVICE INVOLVING A FEDERALLY RELATED MORTGAGE LOAN, OR AN ASSOCIATE OF SUCH PERSON, HAS EITHER AN AFFILIATE RELATIONSHIP WITH OR A DIRECT OR BENEFICIAL OWNERSHIP INTEREST OF MORE THAN ONE PERCENT IN A PROVIDER OF SETTLEMENT SERVICES; AND (B) EITHER OF SUCH PERSONS DIRECTLY OR INDIRECTLY REFERS SUCH BUSINESS TO THAT PROVIDER OR AFFIRMATIVELY INFLUENCES THE SELECTION OF THAT PROVIDER."

(a) If yes, advise who the parties to the arrangement are, and describe the nature of the arrangement.

(b) If yes, advise whether "Affiliated Business Arrangement Disclosure Statements" are provided to the persons being referred. Please provide a copy of such disclosure.

(c) If yes, advise whether the persons being referred are required to use any particular provider of real estate settlement services.

(d) If yes, advise what money or other thing of value is exchanged under the affiliated business arrangement.

14. How much of the Applicant's commission income was derived from sub-prime activities in the past three years?

Please indicate years and percentages in space provided.

Year _____ / _____ % of total commissions derived from sub-prime activities

Year _____ / _____ % of total commissions derived from sub-prime activities

Year _____ / _____ % of total commissions derived from sub-prime activities

LOAN SERVICING ONLY:

15. (a) Total number and dollar volume of loans serviced by the Applicant during the past 12 months:

_____ \$ _____

(b) Of the total servicing dollar volume stated above, provide the percentage represented by:

	Current Year	Prior Year
(1) Income property loans	_____ %	_____ %
(2) Adjustable rate mortgage loans	_____ %	_____ %
(3) Loans where Applicant acts as subservicer	_____ %	_____ %
(4) Loans that are subserviced by others	_____ %	_____ %
(5) Servicing purchased within the last 12 months	_____ %	_____ %
(6) GNMA pool loans	_____ %	_____ %
(7) Other loans sold with recourse	_____ %	_____ %
(8) Loans delinquent from:	_____ %	_____ %
(a) 30-59 days	_____ %	_____ %
(b) 60-89 days	_____ %	_____ %

(9) Loans classified as REO and/or loans in foreclosure: _____ %

To complete application, please submit résumés of all principals and key management personnel if the Applicant has been in business.

Attention - Applicants in AR, CO, DC, KY, NJ, NM, NY, OH, OK, VA:

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 may also be subject to a civil penalty.

In California: 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 the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

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 policyholder 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.

In Florida: 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.

Also provide: Agent Name: _____ Agent License #: _____

In Iowa and New Hampshire:

Provide: Producer Signature _____ Date: _____

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

In Pennsylvania: 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.

***In Washington, Maine, Louisiana and Tennessee:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company (including false information in an application for insurance and claim for payment of loss or benefit). Penalties include imprisonment, fines and denial of insurance benefits.*

THIS SUPPLEMENTAL APPLICATION IS ATTACHED TO AND FORMS A PART OF THE MISCELLANEOUS PROFESSIONAL LIABILITY POLICY APPLICATION. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE AS IN THE BASIC APPLICATION.

This Application must be signed by the Applicant.

Signature

Title

Date

NOTE: This Application including any material submitted herewith shall be treated in strictest confidence.

Please submit this Application including appropriate documentation to:

Great American Insurance Group, Professional Liability Division