



CAPITAL INSURANCE SERVICES

Mortgage Banker/Broker E&O Quote Sheet

Business Name: _____ FEIN #: _____ Year Established: _____
 Phone: _____ E-Mail: _____
 Location Address: _____ City: _____ State: _____ Zip: _____
 Mailing Address: _____ City: _____ State: _____ Zip: _____
 Contact Person: _____ Phone: _____ Owner or Tenant: _____
 Description of Operations: _____ Years of Experience: _____

General Information

Entity Type: Sole Proprietorship Partnership / LLP Corporation LLC
 PC Other (list): _____

Has there been any change in ownership or management in the past three years?.....Yes No
 If "Yes," explain: _____

Identify all 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.

If "Yes," please list: _____

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

Type of Operation

Mortgage Banking/ Mortgage Brokering Activities for the twelve (12) months ending: _____

	Number of Loans	Dollar Volume
1. Servicing:	_____	_____
2. Origination:	_____	_____
3. Origination Percentage:		
1-4—Family Residential		_____ %
Multi-family		_____ %
Other Income Property		_____ %
Other (please describe _____)		_____ %
	Total	100%
4. Type of Loans Originated:		
FHA/VA/Conventional		_____ %
Second/Equity Line Lending		_____ %
Construction Lending		_____ %
Mobile Home Lending		_____ %
Sub-Prime (please describe* _____)		_____ %
Other (please describe _____)		_____ %
	Total	100%

* (Note: If any Sub-Prime Loans, must complete Lending Supplemental Application: Sub-Prime Loans are those loans with a FICO score of 619 or less)

Does the Applicant act as a master servicer of loans? Yes No

If "Yes," please provide details (including dollar amount of activity and source of funding):

List current number of employees by the following activities

1. Mortgage Banking Professional Employees

(a) Board of Directors, Corporate Officers _____

(b) Loan Production _____

(c) Loan Servicing _____

(d) All Other Professional _____

2. Non-Mortgage Banking Professional Employees _____

3. Clerical Employees _____

_____ Total Employees

4. 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 that we will only provide coverage for ICs that do only loan origination services for you and do not work for anyone else.)

Company Procedures

Please confirm the Applicant has procedures to assure timely and proper disclosure of Good Faith Estimates

and Truth in Lending Estimates. Yes No

Does the Applicant know of any or have any reported violations of laws in any of the following:

1. Real Estate Settlement Procedures Act Yes No

2. Truth in Lending Legislation Yes No

3. Equal Credit Opportunity Legislation Yes No

Does the Insured have written policies with respect to the above as shown in question 9. (a., b., or c.), and

are employees trained to comply)? Yes No

Are appraisals performed by in-house appraisers? Yes No

If so, who assigns the appraisals (list the person's position)?

Are appraisals provided on a rotating basis?..... Yes No

If "No," please advise how the Applicant protects itself from collusion between an appraiser and a loan officer.

Please describe below how denials of credit are offered.

How has the Applicant addressed (including any new procedures or policies) the issue of predatory lending practices to prevent lawsuits in this area?

What percentage of the number of total loans originated are reviewed by separate quality control personnel? _____%

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

To what professional associations does the Applicant firm belong?

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

Does the Applicant operate in states which require a Mortgage Broker or Mortgage Correspondent to be licensed? Yes No

If "Yes," please confirm all licenses are in force. Yes No

Has the Applicant had any investigations into licensing or are there any ongoing license investigations from any state agency or other authority?..... Yes No

If "Yes," please provide full details of investigation including the outcome and/or status:

Does the Applicant commingle Investor funds or any other funds required to be segregated by law or a third party? Yes No

Does the Applicant have a written procedural manual for employees to follow?..... Yes No

Does the Applicant have a formalized training program for newly hired employees? Yes No

If "No" how does the Applicant train new employees and/or confirm that managers are performing according to company guidelines?

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"?

Does the Applicant purchase any type of "Fraud" Insurance or protection?..... Yes No

(Note Fraud coverage may be available, but is not the same as Fidelity Bond or Mortgage Bankers Bond coverage.)

b. Is the Applicant interested in a proposal for the broader form of Mortgage Fraud Insurance, if available?

..... Yes No

Does the Applicant have a fraud monitoring or prevention system in place?..... Yes No

If "Yes", please describe _____

Does the Applicant have a fraud guard protection system or similar procedure to verify legitimacy of borrowers by checking social security numbers or another method to determine borrower identity?..... Yes No

Does the Applicant utilize Automated Valuations and compare to on site appraisals:

Before Closing..... Yes No

Post Closing..... Yes No

Does the Applicant utilize a tracking system throughout the loan process such as "ENCOMPASS" or other similar system?

Does the Applicant utilize a checklist (manual or automated) to confirm all appropriate steps have been accomplished?

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

If the Applicant originates loans through mortgage brokers submitting to the Applicant, are the following coverages required of the Mortgage Broker to do business with the Applicant?

Fidelity/Employee Dishonesty Bond (also known as a Mortgage Bankers Bond)..... Yes No

Servicing Errors & Omissions (sometimes called Investor E&O)..... Yes No

Mortgage Company Professional Liability

Note that a credit for the Insured's premium may be allowed if the Insured requires the mortgage brokers it works with to have both Fidelity, E&O and Professional Liability coverage.

Please confirm the following:

The Applicant verifies all firms or individuals it does business with are licensed as required by law in each jurisdiction required?..... Yes No

If the Applicant has "1099 employees" working in any of its branch operations (or home office) under the Applicant's own name, the Applicant requires the 1099 loan originator to warrant that it originates loans solely for the Applicant?..... Yes No

Does the Applicant not only verify that it's originators (both employees and 1099 status) are licensed, but also are not registered to another company's address where such information is available?..... Yes No

Has the Applicant hired within the last 12 months a large number (more than 20% of the Applicants total staff at the time of signing this application) of loan originators formerly employed by a competitor?..... Yes No

Auditing/Quality Control Information

Does the applicant utilize MARI for:

- a. New employees?..... Yes No
- b. New Mortgage Brokers?..... Yes No
- c. Closing Agents?..... Yes No

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

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

If the Applicant deals with correspondents, are these loans underwritten at the branch level? Yes No Not Applicable

Does the Applicant use Lexus or similar search systems to check on new employees?..... Yes No

Does the Applicant have a compliance officer or similar position?..... Yes No

Insurance and Claim Information

Do you currently carry the following:

- a. Professional Liability Insurance?..... Yes No

If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

- b. Surety Bond? Yes No

If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium

- c. General Liability Insurance?..... Yes No

If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium

- d. Fidelity Bond?..... Yes No

If "Yes," please complete the following:

Policy Period	Carrier	Limit of Liability	Deductible	Premium	Retro Date

Was prior coverage ever cancelled or non-renewed? (OTHER THAN BEING NON-RENEWED DUE TO THE CARRIER NO LONGER WRITING THIS TYPE OF COVERAGE) (NOT APPLICABLE TO MISSOURI APPLICANTS)..... Yes No

IF "YES," PLEASE EXPLAIN REASON FOR NON-RENEWAL OR CANCELLATION.

During the past five years, has the Applicant or any predecessor in business or any of the past or present partners, Officers, Directors, or employees been the subject of an investigation, reprimand, disciplinary action, criticism, or filed complaint by the FHA, VA, PMI carrier, any investor, authority, or governmental agency? Yes No

If "Yes," how many? _____

If "Yes," provide full details for each circumstance _____

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.

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.

Coverage request

Professional Liability \$ _____ each wrongful act

Limit requested \$ _____ aggregate

Professional Liability

Deductible requested \$ _____ each wrongful act

Please include the following items with this application:

- a. Resumes of any new Key Senior Personnel
- b. Latest full year financial statement or annual report and Interim Financials

Current Insurance Information

Company Name: _____ Annual Premium: _____

Expiration Date: _____ Deductible: _____