

NEGLEY ASSOCIATES

UNDERWRITING MANAGERS



SCOTTSDALE INSURANCE COMPANY®

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MORTGAGE BROKERS SUPPLEMENTAL APPLICATION FOR ERRORS AND OMISSIONS COVERAGE

The following information MUST accompany this application: 1. Sample processing forms.
 2. Sample loan correspondent contract.
 3. Your latest financial statement, 10K and/or annual report.
 4. Truth in Lending Disclosure.

1. Number of staff:

Principals/Owners: _____ Servicers: _____ Clerical/Receptionist: _____
 Originators: _____ Underwriters: _____ All Other (specify): _____
 Processors: _____ Closers: _____

2. Indicate the following for loans handled in the last year:

Service Area	# of Loans	Total Value	Avg. Value	Max. Value	% of Gross Receipts
Loan Origination					
Loan Underwriting					
Loan Servicing					
Loan Warehousing					

Describe any other services: _____

3. **Loan Origination Services:**

a. Indicated agency approvals and percent of loans placed with each agency:

FNMA _____% GNMA _____% FHA _____% Other (specify) _____%
 FHCMC _____% GHA _____% VA _____%

b. List each state in which your firm originates mortgage loans. For each requiring licensing or registration to act as a mortgage broker, banker/lender or servicer, indicate license type (banker/lender, broker, etc.).

State	License Type	State	License Type

c. Do you or any of your employees or related entities perform property appraisals? Yes No

d. Provide a percentage breakdown of mortgages originated in the following areas:

	Existing	New Construction
Residential	%	%
Commercial (including income producing properties)	%	%
Other (describe):	%	%

4. **Loan Underwriting/Servicing:**

- a. Estimated loans in applicant's servicing portfolio requiring collection of Real Estate Tax Escrow? .. _____ %
- b. Describe procedures in place to determine if real estate property taxes have been paid and Property Insurance in place. _____

5. **Loan Warehousing/Funding:**

- a. Does the applicant fund loans via a warehouse line or any other means in your own name?..... Yes No
If yes, provide details: _____
- d. Does the applicant hold funded loans for more than six (6) months? Yes No
If yes, provide details: _____
- c. Does the applicant fund any loans without having advance written commitment from an investor? . Yes No
If yes, provide details: _____
- d. Does the applicant make any direct investments in real estate or other property?..... Yes No
If yes, explain: _____

- 6. Does the applicant have a fidelity bond?..... Yes No
Carrier Name: _____ Policy Effective Date: _____ Limit: _____

- 7. Does the applicant have written procedures for quality control compliance in:
Truth in Lending..... Yes No
Equal Credit Opportunity Act..... Yes No
Real Estate Settlement Procedures Act..... Yes No

- 8. a. Describe your internal audit practices and procedures. *(Include the following in your description: (1) Does the applicant perform internal audits? (2) Which areas of the services you provide are audited? (3) How frequently are these audits performed?)* _____

- b. Are there any external audits performed? Yes No
If yes, who performed them and how frequently? _____

- c. Have there been any complaints or criticisms relative to the procedures listed in question 8. or as a result of an audit in the past year? Yes No
If yes, provide explanation regarding circumstances. _____

- 9. Has the applicant ever been rejected for application with an investor or had a correspondent relationship terminated with an investor? Yes No
If yes, provide explanation regarding circumstances. _____

