

**Instructions to the applicant:**

- 1. Please answer all the questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to that evaluation**
- 2. If a question is not applicable, state N/A. If more space is required to answer a question, please attach exhibit with the question number.**
- 3. Application must be signed and dated by authorized person.**

a. Please provide sample brochures or other forms of advertising used in the rendering of mortgage broker services, if applicable

*Note:* "Gross Income" means all income derived from fees and commissions before split with brokers or sales people and deductions for expenses.

APPLICANT: \_\_\_\_\_

1. Applicant first began continuously offering mortgage broker services in what year? \_\_\_\_\_

2. Applicant operates as:

Independent Mortgage Brokerage Entity; Or

As part of:

Mortgage Company

Savings & Loan

Federal Savings Bank

Real Estate Enterprise

Commercial Bank

Life Insurance Company

Other (specify): \_\_\_\_\_

3. Provide a descriptive narrative outlining the applicant's brokerage services and activities:

\_\_\_\_\_  
\_\_\_\_\_

4. Does the applicant's advertising comply with all RESPA, FTC, FHLBB, State and Other applicable laws and regulations?  Yes  No
5. Has the applicant ever lost a lender's approval such that the applicant could no longer submit client applications to that lender? If yes, please provide details: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
6. Identify all methods lenders use to determine the applicant's qualifications:
- Resumes
  - References
  - Verification of Licenses
  - Credit Reports
  - Financial Statements
  - Background Checks
7. With how many lenders does the applicant have business relationships? \_\_\_\_\_  
 Identify the three (3) lenders to which the applicant most frequently submits applications:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. Indicate the total amount of all mortgages handled in the past year:

	<u>Residential</u>	<u>Commercial</u>
Dollar Amount	\$	\$
Number of Mortgages		
Maximum Value of Any One Mortgage	\$	\$
Average Value of Mortgage	\$	\$

9. Identify the type of mortgage loans handled as percentage of gross income:

	<u>I. Originations</u>		<u>II. Servicing</u>
	<u>New Construction</u>	<u>Existing</u>	
Residential:			
Commercial:			
Condominiums / Co-Ops			
Apartment Complexes			
Shopping Centers			
Motels / Hotels			
Industrial Buildings			
Other (specify) _____			

10. Is the applicant involved in the following:

Net Interest Earned

Profit/Loss from Sale of Loans

Warehousing?  Yes  No

\_\_\_\_\_

\_\_\_\_\_

Wholesale?  Yes  No

\_\_\_\_\_

\_\_\_\_\_

11. a. What percentage of gross income from mortgage brokerage has been derived from placing conventional mortgages? \_\_\_\_\_ %  
b. Of these conventional mortgages, what percentage of these does the VA or FHA guarantee? \_\_\_\_\_ %  
c. Identify and explain all other sources of lending capital.

\_\_\_\_\_

\_\_\_\_\_

d. Identify and describe desirable types of financing arrangements.

\_\_\_\_\_

12. Does the applicant have any discretionary authority to make a loan?  Yes  No  
If yes, how often is this authority used, and under what circumstances?

\_\_\_\_\_

\_\_\_\_\_

13. Has the applicant ever closed and funded a loan in the applicant's name, using the applicant's funds or a warehouse line available to the applicant?  Yes  No  
If yes, indicate what percentage of all loans handled by the applicant have been closed and funded in this manner. \_\_\_\_\_ %

14. Has the applicant ever funded a loan for property in which the applicant had an ownership/equity interest?  Yes  No

15. Indicate the percentage gross income from mortgage brokerage services derived from the following:

Application Fees \_\_\_\_\_ % of Gross Income

Origination Fees \_\_\_\_\_ % of Gross Income

Service-related Fees \_\_\_\_\_ % of Gross Income

Interest Rate Override \_\_\_\_\_ % of Gross Income

Loan Syndications/Selling \_\_\_\_\_ % of Gross Income

Other Fees or Commissions (specify) \_\_\_\_\_ % of Gross Income

\_\_\_\_\_ % of Gross Income

\_\_\_\_\_ % of Gross Income

Must total 100%

16. Identify and describe the pre-qualification process for:  
a. A borrower on a residential mortgage loan.

\_\_\_\_\_

\_\_\_\_\_

b. A borrower on a commercial mortgage loan.

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17. a. Identify and describe the verification process for information provided to Lenders.

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b. Identify and describe the verification process for the validity of documents received from mortgages to protect against forgery, alteration, or counterfeiting.

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18. Do the applicant's mortgage brokerage activities involve seeking lenders for construction  Yes  No loans or land acquisition development loans?

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If additional space is needed, please provide details on a separate attachment.

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I understand the information submitted herein becomes a part of my Professional Liability Insurance Application and is subject to the same warranty and conditions.

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.

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Signature of Owner, Officer or Partner

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Print or Type Name and Title

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Date (m-d-y)