

Philadelphia Insurance Companies

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PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS MORTGAGE BANKERS AND BROKERS SUPPLEMENT

Instructions:

- A. Please answer ALL the questions. If more space is required to answer a question, continue on applicant's letterhead.
- B. This supplement must be signed and dated by a principal, partner, or officer of the prospective insured's organization and will be attached to the policy, should one be issued.

1. Are any Mortgage Banking Activities provided to any affiliated firm, corporation, or company? Yes No
If "Yes", approximately what percentage of gross revenues? _____

2. For the Total Gross Revenues listed in the application, please give the approximate revenues derived from the following:
% OF GROSS REVENUES

Loan Originating	_____
Loan Servicing	_____
Loan Sales	_____
Interest Income	_____
Other (Specify) _____	_____
TOTAL	100%

3. **ORIGINATION** Check and skip this section if no origination is being performed

a) First Mortgage Loans Originated during past 12 months

<u>Loan Portfolio</u>	<u>Dollar Value</u>	<u>Number</u>	<u>%Construction</u>
1-4 Family	_____	_____	_____
Multifamily	_____	_____	_____
Commercial	_____	_____	_____
Other (Specify)	_____	_____	_____
Total	_____	_____	_____

b) Second Mortgages _____

c) List five largest loans originated during past 12 months

	<u>Name of Project/Client</u>	<u>Loan Amount</u>
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

d) Are in-house reviews of appraisals done? Yes No

e) What procedures are followed to ensure that proper hazard/flood insurance is in place at closing?

4. **SERVICING** Check and skip this section if no servicing is being performed

<u>Loan Portfolio</u>	<u>Dollar Value</u>	<u>Number</u>	<u>ARM's</u>
1-4 Family	_____	_____	_____%
Multifamily	_____	_____	_____%
Commercial	_____	_____	_____%
Other (Specify)	_____	_____	_____%
Total	_____	_____	_____%

b) List five largest loans serviced:

	<u>Name of Project/Client</u>	<u>Outstanding Balance</u>
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

- c) Estimated % of loans in the Applicant's servicing portfolio that requires the collection of:
 Hazard Flood Insurance Escrow _____
 Real Estate Tax Escrow _____
 Life, A&H or AD&D Insurance Premium _____
 PMI Premium _____
- d) Does the Applicant require that it be named as "mortgagee" in a Standard Mortgage Clause on all hazard/flood insurance? Yes No If "No", please explain _____

- e) Does the Applicant annually verify hazard/flood coverage on all mortgages serviced? Yes No If "No", what procedures are in place to maintain the adequacy of hazard/flood coverage? _____

- f) When necessary does the Applicant "force place" coverage using a "forced place" insurance company? Yes No
- g) What are the procedures to determine if real estate property taxes have been paid?

- h) What was the delinquency ratio at the end of the past fiscal year? _____
- i) How many foreclosure actions were commenced against delinquent accounts during the past fiscal year?

5. GEOGRAPHIC BREAKDOWN OF LOANS

List the five states where the most loans are originated and/or serviced:

	STATE	APPROXIMATE % OF TOTAL
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____
5)	_____	_____

6. SELLING/MARKETING

- a) Approximate percent of loans sold during the past twelve months that are guaranteed by the following entities?
 FNMA _____
 GNMA _____
 FHLM _____
 Private Investors _____
- b) What percent of the loan portfolio has been sold "with recourse"? _____
- c) Have any loans during the past twelve months been put back to the Applicant other than for "recourse" reasons (i.e. documentation deficiencies, etc.)
 Yes No If "Yes", # of loans _____, aggregate principal amount \$ _____

7. During the past twelve months, have any allegations been made against the applicant for violations of the Truth-In-Lending-Act, the Equal Credit Opportunity Act or the Real Estate Settlement Procedures Act? Yes No If "Yes", attach details.

WITH RESPECT TO QUESTION 7, IT IS AGREED THAT IF SUCH KNOWLEDGE, INFORMATION, CIRCUMSTANCE, DISPUTE, OR ACT EXISTS, ANY CLAIM OR ACTION ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED COVERAGE.

THIS MORTGAGE BANKERS AND BROKERS SUPPLEMENTAL APPLICATION IS ATTACHED TO AND FORMS PART OF THE PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS APPLICATION. THIS SUPPLEMENT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE IN THE BASIC APPLICATION.

Name: _____ Title: _____
 (Please Print)

Date: _____ Signature: _____