



COVER-PRO SM COLORADO MORTGAGE BROKER APPLICATION

NOTICE: This professional liability coverage is provided on a claims-made basis; therefore, only claims which are first made against the Applicant (You) for acts which occurred after any applicable Retroactive Date, and reported to the Company (us), during the policy period, any subsequent renewal of this policy or any extended reporting period are covered, subject to policy provisions. Defense costs are within the policy limit of liability and can reduce or exhaust the policy limit.

- 1. Name of the Applicant:
2. Name of the Applicant's firm where employed:

Address:

City: State: Zip code:

Telephone:

Website: E-mail address:

Errors & Omissions Insurance currently in place for the firm (if applicable):

Table with 4 columns: Insurance Carrier, Limit of Liability, Effective Date: (From/To), Annual premium

- 3. Applicant's valid, in force, Colorado Mortgage Broker license number:
4. Applicant's valid, in force, Colorado Mortgage Broker Bond number:
Surety company providing said Bond:
Effective date: From: To:
5. How many years has the Applicant been active in the mortgage broker business?
6. Gross annual revenue as a Mortgage Broker: \$
7. What percentage of the Applicant's loan portfolio consists of the following loan types?
Sub-Prime*: %
Reverse mortgages: %
Private reverse mortgages: %
FHA reverse mortgages: %
Low or No Document Loans (where borrower is not self-employed): %
Low or No Document Loans (where borrower is self-employed): %
Mortgage Loan modifications / re-writes / restructuring: %
If the Applicant does provide mortgage loan modifications/re-writes/restructuring services do you charge a fee? Yes No

*Sub-Prime is defined as follows:

- a. A mortgage loan made to any borrower with a credit record that includes any of the following:
i. Foreclosure, repossession, or default of a loan in the 48 months prior to the origination of the mortgage loan;
ii. Bankruptcy in the 5 years prior to the origination of the mortgage loan;
iii. A middle score of 640 (FICO or equivalent measure on another scale) or below as of the origination of the mortgage loan.

- b. A mortgage loan made to any borrower that results in the borrower having:
 - i. A loan to value ratio (LTV) or a combined loan to value (CLTV) ratio greater than 90;
 - ii. A debt to income (DTI) ratio of greater than 45/55;
 - iii. An LTV or CLTV greater than 80 when the DTI exceeds 28/36.
- c. A mortgage loan containing a prepayment penalty of more than one year.

8. ORIGINATION - Please check if no origination services are provided. Skip to question 9.

- a. First mortgage loans originated during the last twelve (12) months:

<u>Loan Portfolio</u>	<u>Dollar Value</u>	<u>Number</u>
1-4 Family:	\$	
Multi-family	\$	
Commercial:	\$	
Other:	\$	
TOTAL:	\$	

- 9. Has the Applicant or any companies owned by or related to the Applicant declared bankruptcy or become insolvent? Yes No

- 10. During the past twelve (12) 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? **If yes, provide details.** Yes No

- 11. Have any claims, suits, or demands for arbitration been made against the Applicant within the past five (5) years? **If yes, complete a Claim Supplement form for each incident.** Yes No

- 12. Are you aware of any act, error, omission or any other circumstance that is or could be a basis for a claim under the proposed insurance? Yes No

If yes, complete a Claim Supplement form for each incident. If the Applicant currently has coverage in force for the Colorado mortgage broker errors & omissions insurance program with Philadelphia Insurance Companies and have had no lapse in coverage, you may skip this question.

With regard to questions 10., 11., and 12., it is understood and agreed that if any such claim, act, error, omission, dispute or circumstance exists, then such claim and/or claims arising from such act, error, omission, dispute or circumstance is excluded from coverage that may be provided under this proposed insurance and, further, failure to disclose such claim, act, error, omission, dispute or circumstance may result in the proposed insurance being void, and/or subject to rescission.

REPRESENTATIONS: I/We affirm that the information contained here and in any addendum is true to the best of my/our knowledge and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy. I/We hereby authorize the release of claim information from any prior insurer to the Company or its representatives.

FRAUD NOTICE STATEMENTS

NOTICE TO APPLICANTS: "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 SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO COLORADO RESIDENTS APPLICANTS: "IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. 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."

Insured Signature Date

Title

Producer Signature Date

ADDITIONAL INFORMATION

This page may be used to provide additional information to any question on this application. Please identify the question number to which you are referring.

Signature

Date