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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004

COVER-PRO[SM] APPLICATION
MORTGAGE BANKER AND BROKER SUPPLEMENT

1. Full name of the Applicant Firm:_____

2. Are any mortgage banking activities provided to any affiliated entities including any Title Escrow or Real Estate Development Company? ☐ Yes ☐ No
   If yes, approximately what percentage of gross annual revenue is from this activity? _____%

3. Percentage of gross annual revenue as a Mortgage Broker: _____%
   and / or Mortgage Banker: _____%

4. a. What percentage of the Applicant's gross annual revenue comes from the following activities?

Loan originating:	_____ %	FHA or VA Loans:	_____ %
Loan servicing:	_____ %	Refinances:	_____ %
Loan sales:	_____ %	Manufactured Housing:	_____ %
Interest income:	_____ %	Other:_____	_____ %

TOTAL MUST EQUAL: 100%

   b. What percentage of the Applicant's loan portfolio consists of the following loan types?
   - Sub-Prime*: _____%
   - 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:**

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

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

iii. If Applicant has a mortgage loan containing a prepayment penalty of more than one year.

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

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6. ORIGINATION - Please check if no origination services are provided. Skip to question 9.
   a. First mortgage loans originated during the last twelve (12) months:

Loan Portfolio	Dollar Value	Number	Percent Construction
1-4 Family:	$_____	_____	_____%
Multi-family:	$_____	_____	_____%
Commercial:	$_____	_____	_____%
Other:_____	$_____	_____	_____%
TOTAL:	$_____	_____	_____%

   b. Second mortgages:

Dollar Value	Number
$_____	_____

   c. List the five (5) largest loans originated during the past twelve (12) months:

Name of Project/Client	Loan Amount
1._____	$ _____
2._____	$ _____
3._____	$ _____
4._____	$ _____
5._____	$ _____

7. Are in-house reviews of appraisals provided? ☐ Yes ☐ No

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

_____

9. What percentage of loans originated are underwritten by the Applicant? _____ %

10. SERVICING- Please check if no servicing activities are provided. Skip to question 11.
   a. First mortgage loans serviced during the last twelve (12) months:

Loan Portfolio	Dollar Value	Number	% Construction
1-4 Family	$_____	_____	_____%
Multi-family	$_____	_____	_____%
Commercial	$_____	_____	_____%
Other:_____	$_____	_____	_____%
TOTAL:	$_____	_____	_____%

   b. List the five (5) largest loans serviced during the past twelve (12) months:

Name of Project/Client	Outstanding Balance
1._____	**$** _____
2._____	**$** _____
3._____	**$** _____
4._____	**$** _____
5._____	**$** _____

   c. Estimated percentage of loans in the Applicant's services portfolio that require collection of:
   Hazard flood insurance escrow:_____% Life, A&H, or AD&D insurance premium: _____%
   Real estate tax escrow: _____% PMI premium: _____%

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d. Does the Applicant require that it be named as the "mortgagee" in a Standard Mortgage Clause on all hazard/flood insurance? **If no, provide an explanation.** ☐ Yes ☐ No

_____

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 placed" insurance company? ☐ Yes ☐ No

g. What are the procedures to determine if real 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 recommended against delinquent accounts during the past fiscal year? _____

11. GEOGRAPHIC BREAKDOWN OF LOANS
List the five (5) states where the most loans are originated and / or serviced:

STATE	APPROXIMATE PERCENTAGE OF TOTAL
1. _____	_____ %
2. _____	_____ %
3. _____	_____ %
4. _____	_____ %
5. _____	_____ %

12. SELLING / MARKETING

a. Approximate percentage of loans sold during the past twelve (12) months that are guaranteed by the following entities:
FNMA: _____ % GNMA: _____ %
FHLM: _____ % Private Investors: _____ %

b. What percentage of the Applicant's loan portfolio has been sold "with recourse"? _____ %

c. Have any loans during the past twelve (12) months been put back to the Applicant other than for "recourse" reason? (i.e. documentation deficiencies, etc…) ☐ Yes ☐ No
If yes, number of loans: _____
Aggregate principal amount: $ _____

13. Does the Applicant fund loans through a warehouse line of credit? ☐ Yes ☐ No
If yes, provide details.

_____

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14. 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? ☐ Yes ☐ No
If yes, provide details.

WITH RESPECT TO QUESTION 14, IT IS AGREED THAT IF SUCH KNOWLEDGE, INFORMATION, CIRCUMSTANCE, DISPUTE, OR ACTS EXIST(S), ANY CLAIM OR ACTION ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED COVERAGE.

I understand that the information submitted herein becomes a part of my Philadelphia Insurance Companies Cover-Pro[sm] application and is subject to the same conditions as stated on the application.

Name (Please Print) _____ Title **(Must be Principal, Partner or Officer)** _____

Signature _____ Date _____

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ADDITIONAL INFORMATION

This section 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

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