

This form must be completed for each new bond and at each premium anniversary. If more space is needed to answer any of the questions contained herein, attach additional sheets.

**APPLICATION FOR A
FINANCIAL INSTITUTION BOND, STANDARD FORM NO. 15
FOR MORTGAGE BANKERS AND FINANCE COMPANIES**

Application is hereby made by _____

(List all Insureds, including Employee Benefit Plans)

Principal Address _____ (herein called Insured)
(No.) (Street) (City) (State) (Zip Code)

for a _____ **Financial Institution Bond, Standard Form No. 15**, to become effective as of
(primary, excess, concurrent, co-surety, coinsured)

12:01 a.m. on _____ to 12:01 a.m. on _____ in the Aggregate Limit of Liability of \$ _____

Date Insured was established _____ Name of prior carrier _____

1. Insured is a (check the appropriate box): Mortgage Banker , Finance Company , Small Loan Company ,
Small Business Investment Company , Dealer in Mortgages , Dealer in Commercial Paper , Note Broker ,
Real Estate Investment Trust , Title Insurance Company principally engaged in the mortgage business ,
Other _____

2. Insured is a (check the appropriate box): Sole Proprietorship , Partnership , Corporation

3. Identify the states in which you are licensed to do business: _____

4. For all Insureds, show the total number of: No. of

(a) Salaried officers, employees and persons provided by employment contractors..... _____

(b) Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands..... _____

(c) Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, list below:

<u>Location</u>	<u>Location</u>

5. Complete the following: Total Assets

(a) As of latest Dec. 31..... \$ _____

(b) As of latest June 30..... \$ _____

6. Complete the following for optional coverages desired:

<u>Form of Coverage</u>	<u>Single Loss Limit</u>
(a) Is Insuring Agreement (D) — Forgery or Alteration Coverage desired?..... Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
(b) Is Insuring Agreement (E) — Securities Coverage desired?..... Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
(c) Is Trading Loss Coverage desired?..... Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____

6. Complete the following for optional coverages desired (cont'd):

(d) Is Extortion—Threats to Persons Coverage desired?..... Yes No \$ Single Loss Limit

If "Yes," list below locations to be excluded:

<u>Location</u>	<u>Location</u>

(e) Is Extortion—Threats to Property Coverage desired?..... Yes No \$ Single Loss Limit

If "Yes," list below locations to be excluded:

<u>Location</u>	<u>Location</u>

(f) Is Computer Systems Fraud Coverage desired?..... Yes No \$ Single Loss Limit

If "Yes," complete the following:

(1) Insured's Computer System(s)

For the Computer System(s) you operate, whether owned or leased, complete the following:

a) Number of independent software contractors authorized to design, implement or service programs for your System(s) _____

b) Is access to your System(s) by customers or other outside parties permitted?..... Yes No

(2) Other Computer Systems

List below other Computer System(s) for which coverage is desired:

Computer System(s)

(g) Is coverage desired on businesses engaged in the data processing of your checks or other accounting records?..... Yes No

If "Yes," list below the name and location of each data processor:

<u>Name & Location</u>	<u>Name & Location</u>

(h) Is coverage desired on closing attorneys retained by you to prepare deeds, investigate titles of real property or otherwise assist in the making of mortgage loans? (Title Insurance Companies only)..... Yes No

If "Yes," list below the name and location of each closing attorney:

<u>Name & Location</u>	<u>Name & Location</u>

7. Check the appropriate box(es) if you are a seller or servicer of secondary market mortgages of: Freddie Mac , Fannie Mae , Ginnie Mae , Other agencies _____

8. For deductibles, complete the following: (NOTE: Deductibles on Insuring Agreements (D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Extortion Coverage may be written in any amount.)

<u>Coverage</u>	<u>Single Loss Deductible</u>
(a) All coverages except Insuring Agreements (D), (E) and Extortion.....	\$ _____
(b) Insuring Agreement (D)—Forgery or Alteration.....	\$ _____
(c) Insuring Agreement (E)—Securities.....	\$ _____
(d) Extortion—Threats to Persons.....	\$ _____
(e) Extortion—Threats to Property.....	\$ _____

9. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations: _____

10. If coverage is being written on a coinsurance basis, show your percentage participation ____%. (NOTE: Insured may assume a participation of between 5% and 25%.)

11. AUDIT PROCEDURES:

- (a) Is there an annual or semi-annual audit by an independent CPA?..... Yes No
- (b) If "Yes," is it a complete audit made in accordance with generally accepted auditing standards and so certified?..... Yes No
- (c) If the answer to (b) is "No," explain the scope of the CPA's examination _____
- (d) Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation?..... Yes No
- (e) Name and location of CPA _____
- (f) Date of completion of the last audit by CPA _____
- (g) Is there a continuous internal audit by an Internal Audit Department?..... Yes No
- (h) If "Yes," are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation?..... Yes No
- (i) Are money and securities actually counted and verified?..... Yes No
- (j) How often are loan balances verified? _____

12. INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES):

- (a) Do you require annual vacations of at least two consecutive weeks for all personnel?..... Yes No
If "No," explain: _____
- (b) Is there a formal, planned program requiring segregation of duties so that no single transaction can be fully controlled from origination to posting by one person?..... Yes No
If "No," explain: _____
- (c) Are bank accounts reconciled by someone not authorized to deposit or withdraw?..... Yes No
If "No," explain: _____
- (d) Is countersignature of checks (including escrow accounts) required?..... Yes No
If "No," explain: _____

(e) Are monthly statements (whether or not there was activity in the account) mailed directly to all customers?..... Yes No

If "No," explain: _____

13. Has there been any change in ownership or management within the past three years?..... Yes No

If "Yes," explain: _____

14. Has any insurance been declined or canceled during the past three years?..... Yes No

If "Yes," explain: _____

15. List all losses sustained during the past three years, whether reimbursed or not, from _____ to _____
(month, day, year) (month, day, year)

Check if none

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location
		\$	\$	\$	\$	

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

Dated at _____ this _____ day of _____, 19 _____

(Insured) By _____
(Name and Title)