

**MORTGAGE BANKERS
SUPPLEMENTAL APPLICATION**

- 1) What is the applicant's net worth? \$ _____
- 2) Does the applicant participate in any projects or developments as a lender in its own right? Yes _____ No _____
Please explain
- 3) Does the applicant make any direct investments in real estate or other property? Yes__ No__ Please explain
- 4) Please indicate percentage and amount of applicant's gross income attributable to each of the following sources based upon the past fiscal year and the latest consolidated fiscal year audited reports:

| <u>Income Source</u> | <u>Actual Past Year</u> | <u>Estimate Current</u> |
|-------------------------------------|-----------------------------|-----------------------------|
| Origination Fees | \$ _____ | \$ _____ |
| Servicing Fees | \$ _____ | \$ _____ |
| Net Interest from Warehouse Loans | \$ _____ | \$ _____ |
| Profit or (Loss) from Sale of Loans | \$ _____ | \$ _____ |
| Insurance Commissions | \$ _____ | \$ _____ |
| Real Estate Commissions | \$ _____ | \$ _____ |
| Property Management Fees | \$ _____ | \$ _____ |
| Real Estate Appraisal Fees | \$ _____ | \$ _____ |
| Real Estate Consulting Fees | \$ _____ | \$ _____ |
| Other (Describe) | \$ _____ | \$ _____ |

Total Gross Income

- 5) Number and dollar value of loans originated during last year:
Residential Properties -
 Number _____ Dollar Value \$ _____
Income Producing Properties -
 Number _____ Dollar Value \$ _____
- 6) Number and dollar value of loans serviced during last year:
Residential Properties -
 Number _____ Dollar Value \$ _____
Income Producing Properties -
 Number _____ Dollar Value \$ _____
- 7) Is the applicant a member of the Mortgage Bankers Association? Yes ___ No ___
If yes, please attach evidence.
- 8) Is the applicant approved by HUD? Yes ___ No ___ If yes, please attach evidence.
- 9) Delinquency rate of the servicing portfolio:

| | |
|-------------|-------------------------|
| <u>Year</u> | <u>Delinquency Rate</u> |
| a) | |
| b) | |
| c) | |

- 10) a) What percentage of loans were sold during the past fiscal year to:
- | | | |
|--|-------|-------|
| Individuals | _____ | % |
| Insurance Companies | _____ | % |
| Pension Funds | _____ | % |
| Federal National Mortgage Assoc. (FNMA) | _____ | % |
| Government National Mortgage Assoc. (GNMA) | _____ | % |
| Commercial Banks | _____ | % |
| Savings and Loan Associates | _____ | % |
| Other (Describe) | _____ | % |
| | | 100 % |

b) Please indicate the federal sponsored agencies your organization has relationships with:

| <u>Agency Name</u> | <u>Estimate Current Mortgage Value of Agreement</u> | |
|--------------------|---|-----------------|
| | <u>Type of Relationship Seller</u> | <u>Servicer</u> |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

c) Please attach copies of all approval form.

- 11) Does the applicant use warehousing lines? Yes ___ No ___ Please explain:
- 12) Does the applicant participate in any pools, syndicates or other arrangements as part of any projects or developments, either as a lender in their own right, or indirectly on any property for which mortgages are placed by the applicant?

QUALITY CONTROL PROCEDURES

- 13) Describe supervisory and precautionary measures used to foster quality control. (Please attach a copy of the written criteria & procedures)
- 14) Describe procedures implemented to ensure proper compliance with regulatory agencies.
- 15) Describe procedures implemented that proper insurance is in place on a loan to protect the lender.
- 16) Does the applicant fund loans without having an advance written commitment from an investor in the form of an agreement to purchase a given volume of loans at a certain price? Yes ___ No ___ Please Explain:

- 17) Describe how the internal audit function is performed. Include detailed description of audit process used for loan origination and mortgage servicing operations.
- 18) What source does the applicant use to check the financial status and credit history of the borrower?
- 19) What is the criteria used for appraiser selection?
- 20) Are appraisal assignments offered on a rotating basis? Yes ___ No ___ Please explain:
- 21) Are in-house reviews of real estate appraisals done? Yes ___ No ___ Please explain:
- 22) Does the applicant's institutional investors periodically confirm unpaid balances of their loans directly with mortgagors? Yes ___ No ___ Please explain:
- 23) Describe in detail your procedures regarding the receiving, processing and disbursing of funds.
- 24) Does the applicant use loan brokers or correspondents? Yes ___ No ___ If yes, please explain the selection process and list the qualifications required.

It is understood and agreed that this supplemental application shall become part of the application for Professional Liability Errors & Omissions Insurance.

Date

Name of Applicant

Signature of person authorized
to execute on behalf of the
Applicant