



## LOAN ORIGATION APPLICATION

Agency/named insured: \_\_\_\_\_ Policy number: \_\_\_\_\_

Name of loan origination program: \_\_\_\_\_

1. Limit of Liability requested (Policy E&O deductible and retroactive date apply.):  
 \$500,000/\$500,000       \$1,000,000/\$1,000,000       \$2,000,000/\$2,000,000
2. How long have you been providing loan origination services?
3. Please provide a brief description of specific tasks and responsibilities of your agency. Attach a copy of loan origination contract(s).

4. a. Are you required to be licensed?  Yes  No  
 If yes, what type of license? \_\_\_\_\_
- b. Please attach a list of individuals on your agency staff engaged in loan origination activities. Include a comment regarding whether each is licensed and, if licensed, what type of license.

5. Please describe your Loan Origination Portfolio:

	<u>Dollar Value</u>	<u>Number of Accounts</u>
a. Residential Mortgages/Home Improvement	_____	_____
b. Commercial Real Estate	_____	_____
c. Debt Consolidation	_____	_____
d. Auto Loans	_____	_____
e. All other (describe): _____	_____	_____

6. Please provide the total gross receipts (commissions) for the following banking activities:

<u>Banking Activities</u>	<u>Current Year</u>	<u>Previous Year</u>
Loan Originating	_____	_____
Loan Servicing*	_____	_____
Loan Sales*	_____	_____
Other (Specify)* _____	_____	_____

\*Coverage may not be available for these activities.

7. To what degree are you held responsible for accuracy of the application or fraudulent information?
8. a. Who orders the credit reports? \_\_\_\_\_
- b. Please explain your protocol around ordering and securing information subject to the Fair Credit Reporting Act.

9. List the five largest loans originated during the past 12 months:

	Project/Client	Loan Amount
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____

10. a. Name of the lending institution: \_\_\_\_\_

b. Is this lending institution a member of FDIC?  Yes  No

11. Who has final authority on completing and binding the loan? \_\_\_\_\_

12. Are you responsible for notifying the client of the loan decision?  Yes  No

13. Who provides the loan check to the applicant? \_\_\_\_\_

a. If you provide checks, do you have draft authority?  Yes  No

b. If you have draft authority, do you have Fidelity Bond/Fiduciary Liability Coverage?  Yes  No

14. Who is responsible for regulatory compliance?

15. Do you conduct or have responsibility for the following activities:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| Assuming any financial risk of the loans                             | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Collection of Escrow Life, Accident and Health, ADD & PMI premiums   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Collection of any loan payments on behalf of the lending institution | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Any repossession or collateral responsibility                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Follow-up on delinquencies   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Managing of foreclosures   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

16. Have any allegations been made against you 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.

17. Do you currently have or have you previously had any Loan Origination E&O Coverage?  Yes  No

18. Have any claims been made against you or are you aware of any facts, situations or circumstances which might give rise to a claim?  Yes  No

### **FRAUD WARNINGS**

#### **FOR APPLICANTS IN THE FOLLOWING STATES:**

**COLORADO** – 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.

**DISTRICT OF COLUMBIA** – WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**FLORIDA** – Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KANSAS** – Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**KENTUCKY and PENNSYLVANIA** – Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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 subjects such person to civil and criminal penalties.

**MARYLAND** – Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**OHIO** – Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OKLAHOMA** – Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**OREGON** – Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act.

**PUERTO RICO** – Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

**FOR APPLICANTS IN ALL OTHER STATES EXCEPT NEW YORK:**

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison, and denial of insurance benefits.

**FOR APPLICANTS IN NEW YORK** – 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**This supplemental application must be signed by the owner (if the agency is a sole proprietorship), a duly authorized officer (if the agency is a corporation), or a partner (if the agency is a partnership). Carbon or stamped signatures are not acceptable.**

Applicant signature(s): \_\_\_\_\_

Print name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

*Required in Iowa:* Soliciting agent: \_\_\_\_\_ License number: \_\_\_\_\_

I/We HEREBY DECLARE that the above statements and particulars are true to the best of my/our knowledge and that I/we have not suppressed or misstated any facts, and I/we agree that this supplemental application shall be the basis of the coverage issued by the company providing this insurance, and shall be deemed attached to and part of the policy. It is also acknowledged that the applicant is obligated to report any changes in the information provided herein that occur after the date of signature but prior to the effective date of coverage.

