

## COVER-PRO<sup>SM</sup> 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:                    %

4a. 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:			%
<b>TOTAL MUST EQUAL</b>			<b>100 %</b>

4b. 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)			%

**\* Sub-Prime is defined as follows:**

1. 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
  
2. 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. A LTV or CLTV greater than 80 when the DTI exceeds 28/36
  
3. A mortgage loan containing a prepayment penalty of more than one year.

5. ORIGINATION -    Please check if no origination services are provided. Skip to question 10.

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

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

b. Second Mortgages Dollar Value Number

\$

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

<u>Name of Project/Client</u>	<u>Loan Amount</u>
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$

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

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

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

9. SERVICING- Please check if no servicing activities are provided. Skip to question 11.

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

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

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

<u>Name of Project/Client</u>	<u>Outstanding Balance</u>
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: %

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

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?

10. GEOGRAPHIC BREAKDOWN OF LOANS

List the five (5) states where the most loans are originated and / or serviced:

	<u>STATE</u>	<u>APPROXIMATE PERCENTAGE OF TOTAL</u>
1.		%
2.		%
3.		%
4.		%
5.		%

11. 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: \$

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

13. 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 13, IT IS AGREED THAT IF SUCH KNOWLEDGE, INFORMATION, CIRCUMSTANCE, DISPUTE, OR ACTS EXISTS, 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<sup>SM</sup> 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

**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.**

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Signature

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Date