



APPLICATION

Mortgageholders Protection Policy

Note: If additional space for answers is required, please attach extra sheets to this document.

SECTION 1. APPLICANT INFORMATION

Named Insured & Mailing Address

Producer Name & Mailing Address

Proposed Effective Date: _____ Type of Institution: _____
Date Institution was established: _____

SECTION 2. BASIC COVERAGE LIMITS & DEDUCTIBLES

Coverage A – Mortgageholder’s Interest

Pays for loss of mortgageholder’s interest due to uninsured physical damage, from the perils that you require the borrower to maintain insurance, to mortgaged property.

() Residential Mortgages

Limits of Insurance (Apply Per Mortgage):

- | | | | |
|-------------|---------------|----------------|-----------------|
| () 100,000 | () 500,000 | () 5,000,000 | () 20,000,000 |
| () 200,000 | () 1,000,000 | () 10,000,000 | () 25,000,000 |
| () 250,000 | () 2,500,000 | () 15,000,000 | () Other _____ |

Deductible (Apply Per Mortgage):

- | | | | |
|------------|------------|------------|-------------|
| () 500 | () 1,000 | () 2,500 | () 5,000 |
| () 10,000 | () 25,000 | () 50,000 | () 100,000 |

() Commercial Mortgages

Limits of Insurance (apply per mortgage):

- | | | | |
|-------------|---------------|----------------|-----------------|
| () 100,000 | () 500,000 | () 5,000,000 | () 20,000,000 |
| () 200,000 | () 1,000,000 | () 10,000,000 | () 25,000,000 |
| () 250,000 | () 2,500,000 | () 15,000,000 | () Other _____ |

Deductible (apply Per Mortgage):

- | | | | |
|------------|------------|------------|-------------|
| () 500 | () 1,000 | () 2,500 | () 5,000 |
| () 10,000 | () 25,000 | () 50,000 | () 100,000 |

Coverage B – Foreclosed Property

Pays for damage to Foreclosed Property from specified causes of loss, if not otherwise insured. This coverage will have the same Limits and Deductibles as Coverage A.

Coverage C – Mortgageholder’s Liability

Pays those sums you become legally obligated to pay due to failure to properly perform responsibilities shown below.

Coverage C-1 Failure to Maintain Property Insurance

Limits of Insurance (apply per occurrence):

- () 100,000 () 500,000 () 5,000,000 () 20,000,000
 () 200,000 () 1,000,000 () 10,000,000 () 25,000,000
 () 250,000 () 2,500,000 () 15,000,000 () Other _____

Deductible (apply per occurrence):

- () 500 () 1,000 () 2,500 () 5,000
 () 10,000 () 25,000 () 50,000 () 100,000

Coverage C-2 Failure to Maintain Other Insurance: () _____ maximum of \$1,000,000.

Coverage C-3 Failure to Pay Real Estate Taxes: () _____ maximum 15% of C1 limit

Coverage C-4 Failure to Determine Flood Zone: () _____ maximum 15% of C1 limit

SECTION 3. INFORMATION ON YOUR MORTGAGE PORTFOLIO

List states where your mortgages are located: _____

If you own or service mortgages in catastrophe prone areas, you may be requested to provide more specific mortgage information such as a schedule including addresses and outstanding balances.

Mortgage Portfolio

	Owned and Serviced		Serviced for Others		Owned but not Serviced	
	Number of Mortgages	Value of Mortgages	Number of Mortgages	Value of Mortgages	Number of Mortgages	Value of Mortgages
Residential Mortgages (excluding 2 nd Mtgs, HELs, Condos and Manufactured Homes)						
2 nd Mtgs. and HELs						
Condos						
Commercial Mortgages						

Residential Mortgages: Largest Outstanding Balance _____ Balances > \$2,500,000. ____%

Commercial Mortgages: Largest Outstanding Balance _____ Balances > \$5,000,000. ____%

Residential mortgages you originate: Conforming - __%, Jumbo - __%, Alt-A - __%, Subprime - __%,

Mortgage Origination

	Current 12 month period		Prior 12-24 month period		Prior 24-36 month period	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
Number of Originations						
Value of Originations						
Number of Foreclosures						
Value of Foreclosures						

Please complete if you conduct business with Fannie Mae, Freddie Mac or Ginnie Mae.

Entity	Y/N	Address where notices relative to Mortgage Impairment Coverage are to be sent:
FNMA		
FHLMC		
GNMA		

SECTION 4. YOUR ORIGINATION & INSURANCE TRACKING PROCEDURES

Please answer YES or NO for each mortgage type.		Yes	No
1. Do you require that the mortgagor maintain at least fire and extended coverage insurance on the mortgaged property for the duration of the mortgage?			
2. Do you require that the limit of insurance on the hazard insurance policy be at least equal to the outstanding balance of the mortgage or the replacement cost of the buildings?			
3. Do you require that insurer of the hazard coverage to have a Bests Rating of A- or better?			
4. Do you have a flood zone determination completed on all new mortgages?			
5. If the FZD indicates that the mortgaged property is located in a Special Flood Hazard Area, do you require that the mortgagor obtain flood coverage for the duration of the mortgage?			
6. Do you require the insurer of the flood coverage to have a Bests Rating of A- or better?			
7. Do you require that the limit of insurance on the flood insurance policy be at least equal to the outstanding balance of the mortgage or the maximum limit available under the National Flood Insurance Program?			
8. Do you require that you be named as Mortgagee on the mortgagor's insurance policies covering the mortgaged property?			
9. Do you or your legal representatives verify at, or before, mortgage origination that the mortgagor has purchased the required insurance coverages?			
10. Do you verify that you are listed as mortgagee on the borrower's insurance policy(ies)?			
11. Do you record the policy number, the name of the insurance company, the amount of insurance and the agent of the mortgagor's insurance policy(ies)?			
12. Do you retain a copy of the mortgagor's insurance policy(ies) for your mortgage file?			
13. Is your hazard insurance tracking automated?	Residential		
	Seconds and HELs		
	Commercial		
14. Do you check hazard insurance on an annual basis to assure that the mortgagor's hazard coverage has been renewed?	Residential		
	Seconds and HELs		
	Commercial		
15. Do you send annual reminders notifying the mortgagors that they are required to maintain hazard insurance on the mortgaged property?			
16. If you become aware that the mortgagor's hazard insurance on the mortgaged property is no longer in force, do you purchase Lender Placed Hazard coverage within 90 days?			
17. Is your flood insurance tracking automated?			
18. Do you check flood insurance on an annual basis to assure that the mortgagor's flood coverage has been renewed?			
19. Do you send annual reminders notifying the mortgagors that they are required to maintain flood insurance on properties located in a SFHA?			
20. If you become aware that the mortgagor's flood insurance on the mortgaged property is no longer in force, do you purchase Lender Placed Flood coverage within 90 days?			
21. Do you confirm at least annually that Real Estate taxes have been paid?			

22. Who performs your **hazard** insurance tracking? () Employees or () Outside Vendor
 If outside vendor, who? _____
 Do they have E&O insurance with limits or at least \$1,000,000.? _____

23. Who performs your **flood** insurance tracking? () Employees or () Outside Vendor
 If outside vendor, who? _____
 Do they have E&O insurance with limits or at least \$1,000,000.? _____

24. Which insurer provides your lender placed **hazard** insurance? _____

25. Does your lender placed **hazard** insurer provide an automatic coverage guarantee if there is uninsured damage to a property for which they are responsible for tracking? _____

26. Which insurer provides your lender placed **flood** insurance? _____

27. Does your lender placed **flood** insurer provide an automatic coverage guarantee if there is uninsured damage to a property for which they are responsible for tracking? _____

28. Who performs your **Real Estate Tax** tracking? () Employees or () Outside Vendor
 If outside vendor, who? _____
 Do they have E&O insurance? _____

29. Who provides your Flood Zone Determinations? _____
 Do they have E&O insurance? _____

30. Do you obtain Life of Loan coverage on all FZDs for all types of mortgages? _____

31. Who, or at what level, can waive or allow exceptions the written procedures outlined above?

32. On how many Mortgages do you escrow:
 Hazard insurance? _____; Flood insurance? _____; Real Estate Taxes? _____

SECTION 5. YOUR FORECLOSED PROPERTY

	Current 12 month Period		Previous 12 month period		Prior 12 month period	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
Number of Foreclosures						
Value of Foreclosures						
Number of Delinquencies						

What is the average length of time that a foreclosed property was held until sold during the last 12 months? _____ .

Do you have an insurance policy that provides automatic coverage for newly foreclosed properties? _____ If yes, who is the insurer? _____.

Are you required to report newly foreclosed properties to the insurer in order for coverage to apply? _____

What is the maximum limit of insurance available under your foreclosed property coverage for: Residential Properties? _____; Commercial Properties? _____

SECTION 6. COVERAGE EXTENSIONS & OPTIONAL COVERAGES

Check the box and answer the questions below for each requested option.

Terrorism Coverage Extends protection provided by the federal Terrorism Risk Insurance Act.

Manufactured Home Coverage

This endorsement extends the policy to include coverage for Manufactured Homes that do not qualify for mortgages, but do comply with tie-down requirements.

Limit of Insurance: (apply per loan): \$100,000 \$200,000 \$250,000

Deductible: (apply per loan):

500 1,000 2,500 5,000 10,000 25,000 50,000

No. of Manufactured Home Loans	Total Outstanding Balance	Largest Outstanding Balance

1. Do you require that the borrower maintain at least Fire and Extended Coverage on the property for the duration of the loan? _____
2. Do you require that you are listed as Loss Payee on the borrower's hazard insurance providing coverage on the property? _____
3. Do you verify the existence of the required insurance before you originate the loan? _____
4. Do you verify that you are listed as loss payee on the borrower's hazard insurance policy? _____
5. Do you confirm at least annually that the borrower's insurance is still in force? _____
6. If you become aware that the borrower's insurance covering the Manufactured Home is no longer in force, will you obtain replacement coverage within 90 days? _____

Coverage A-3: Balance of Perils Coverage

The Standard Coverage A- Mortgageholder's Interest pays for loss to your interest from uninsured losses caused by perils for which you require the mortgagor to obtain coverage. The Balance of Perils Endorsement extends coverage to protect your mortgageholder's interest, in owned mortgages only, from all causes of loss, unless specifically excluded.

Limit of Insurance: Per Occurrence Limit of Insurance:

\$1,000,000 Other _____

Policy will contain an annual aggregate limit equal to occurrence limit.

Per Mortgage Deductible:

\$5,000 \$10,000 \$25,000 \$50,000 \$100,000

If you own mortgages in more than one state, please provide a schedule, including outstanding balances and addresses, of owned residential and commercial mortgages by state.

Coverage A-4: Government Confiscation Coverage

This coverage pays for loss of your mortgageholder's interest, in owned mortgages only, resulting from the seizure and sale of mortgaged property by a governmental agency due to the failure to pay real estate taxes.

Limits of Insurance (apply per mortgage):

100,000 200,000 250,000 500,000 1,000,000

Deductible (apply per mortgage):

1,000 2,500 5,000 10,000 25,000 50,000 100,000

Owned Mortgages Only All States	No. of Mortgages	Total Outstanding Balance	Largest Outstanding Balance
Total Owned Mortgages			

() Secured Business Property Endorsement

The endorsement extends the coverage provided under Coverage A – Mortgageholder’s Interest to include secured business loans.

Types of property covered include: machinery, equipment, inventory, furniture and fixtures. The following types of property are not eligible for coverage: Vehicles designed for use on public roads, aircraft, watercraft, livestock, crops and seeds, rolling stock and standing lumber.

Limits of Insurance (apply per loan):

- () 100,000 () 200,000 () 250,000 () 500,000 () 1,000,000

Deductible (apply per loan):

- () 500 () 2,500 () 10,000 () 50,000
 () 1,000 () 5,000 () 25,000 () 100,000

No. of Secured Business Loans	Total Outstanding Balance	Largest Outstanding Balance

Please provide a schedule, including type of property, of all Secured Business Loans with balances greater than \$1,000,000.

1. Do you require that the borrower maintain at least Fire and Extended Coverage on the property for the duration of the loan? _____
2. Do you require that you are listed as Loss Payee on the borrower’s hazard insurance providing coverage on the property? _____
3. Do you verify the existence of the required insurance before you originate the loan? _____
4. Do you verify that you are listed as loss payee on the borrower’s hazard insurance policy? _____
5. Do you confirm at least annually that the borrower’s insurance is still in force? _____
6. If you become aware that the borrower’s insurance covering the secured business property is no longer in force, will you obtain replacement coverage within 90 days? _____

() Coverage A-5: Security Interest Coverage

This coverage pays for loss of your mortgageholder’s interest due to your error or omission in preparing, recording, or releasing your security interest in Mortgaged Property.

Limits of Insurance (apply per mortgage):

- () 100,000 () 200,000 () 250,000 () 500,000 () 1,000,000

Deductible: (apply per mortgage):

- () 1,000 () 2,500 () 5,000 () 10,000 () 25,000 () 50,000 () 100,000

() Coverage C-5: Real Property Held In Trust Coverage

This coverage pays those sums you become legally obligated to pay due to your accidental failure to obtain or maintain insurance on real property you hold in trust.

Limit of Insurance (apply per occurrence):

- () 100,000 () 250,000 () 500,000 () 1,000,000

Deductible (apply per occurrence):

- () 1,000 () 2,500 () 5,000 () 10,000 () 25,000 () 50,000 () 100,000

No. of Real Property Trusts	Largest Insured Property Value

1. Do you have an automated system for tracking insurance on Trust Properties? _____
2. If you become aware that a Trust Property is not insured according to the Trust Agreement, do you purchase the required coverage within 30 days? _____

() Coverage C-6: Mortgage Life and Disability Coverage

This coverage pays those sums you become legally obligated to pay due to your accidental failure to obtain or maintain Mortgage Life or Disability Insurance on behalf of the mortgagor.

Limit of Insurance (apply per occurrence):

- () 100,000 () 250,000 () 500,000 () 1,000,000

Deductible (apply per occurrence):

- () 1,000 () 2,500 () 5,000 () 10,000 () 25,000 () 50,000 () 100,000

1. Do you offer Mortgage Life or Mortgage Disability coverage to your mortgagors? ____
If yes, how many mortgagors have bought either of these coverages in the past 12 months? _____
2. Do you escrow premiums for Mortgage Life and Mortgage Disability coverage? ____
If yes, on how many mortgages do you currently escrow Mortgage Life and Disability premiums? _____
3. What is the largest Mortgage Life and Disability limit for which you currently escrow premiums? _____
4. What is the largest Mortgage Life and Mortgage Disability coverage limit that you can offer?

() Coverage C-7: Document Custodian Coverage

This coverage pays those sums that you become legally obligated to pay due to your accidental failure to provide certain mortgage document custodial services. This is required coverage if you act as custodian for FHLMC or FNMA mortgage documents.

Limit of Insurance (apply per occurrence):

- () 100,000 () 250,000 () 500,000 () 1,000,000

Deductible (apply per occurrence):

- () 1,000 () 2,500 () 5,000 () 10,000 () 25,000 () 50,000 () 100,000

1. What is the largest mortgage limit on which you would be document custodian? _____
2. How many mortgages do you act as document custodian for FHLMC? _____
3. How many mortgages do you act as document custodian for FNMA? _____
4. How many mortgages do you act as document custodian for other entities? _____
Who are the other entities? _____

() Coverage C-8: Title Insurance Errors and Accidental Omissions Coverage

This coverage pays those sums that you become legally obligated to pay due to your accidental failure to require, procure or maintain Title Insurance on a Mortgaged Property.

Limit of Insurance (apply per occurrence):

- () 100,000 () 250,000 () 500,000 () 1,000,000

Deductible (apply per occurrence):

- () 1,000 () 2,500 () 5,000 () 10,000 () 25,000 () 50,000 () 100,000

() Retroactive Mortgageholder's Liability Coverage

This endorsement extends Mortgagee Liability coverage to pick up claims arising from an event that occurred prior to the effective date of this policy, but that were not reported under your previous policy. This extension is valuable if your previous Mortgage Errors and Omissions Liability coverage was provided on a Claims-made basis.

1. Is your current Mortgage E&O coverage written on a Claims-made basis?
() Yes () No
2. What is the policy period of your current Mortgage E&O coverage? _____
3. Are you aware of any events that have occurred during the policy period of your current coverage, that may result in a claim under this coverage, but have not yet been reported to the insurer? _____
If yes, please explain: _____

If this coverage is provided, we will require a copy of your current Mortgage E&O policy.

SECTION 7. Previous Policy and Loss Experience

- Do you currently have Mortgage Impairment or Mortgage E&O Coverage? _____
If yes, who is the insurer? _____
If yes, what is the current policy period? _____
If yes, what is the policy premium? _____

- Has any carrier ever cancelled or non-renewed your Mortgage Impairment or Mortgage E&O coverage in the past? _____
If yes, provide details _____

- Do you have any knowledge of any facts or circumstances that could result in a claim under the proposed policy? _____

- Have there been any losses paid or claims made against your Mortgage Impairment or Mortgage E&O coverage in the past 5 years? _____
If yes, provide details. _____

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FRAUD WARNINGS

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment for 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.

NOTICE TO COLORADO APPLICANTS: 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO D.C. APPLICANTS: 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.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment or both.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files any 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.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false 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.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: 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.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false 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 civil fines or criminal penalties.

NOTICE TO NEW YORK COMMERCIAL INSURANCE APPLICANTS: 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 be also subject to a civil penalty, not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO NEW YORK APPLICANTS FOR FIRE INSURANCE: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime.

The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of the policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowingly that he 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.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: 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.

NOTICE TO PENNSYLVANIA APPLICANTS: 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 subjects such a person to criminal and civil penalties.

NOTICE TO RHODE ISLAND APPLICANTS: Under Rhode Island law, there is a criminal penalty for failure to disclose a conviction of arson.

NOTICE TO TENNESSEE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NOTICE TO WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false 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.

NOTICE TO ALL OTHER STATE APPLICANTS: Any person who knowingly includes any false or misleading information on an application for an insurance policy may be subject to criminal and civil penalties.

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The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated. Completion of this form does not bind coverage. All written statements and materials furnished to the company in conjunction with this application are incorporated by reference into this application and made a part hereof.

Application Completed By: _____ Date: _____

Title of Applicant: _____