

PROPOSAL FORM FOR MORTGAGE PROTECTION INSURANCE

SUMMARY OF AVAILABLE COVERAGES:

Any combination of sections outlined below may be purchased, provided Sections A and/or C are included.

- Physical loss or damage from 'Required Perils'. Covers loss to the Assured's interest through the uncollectability or Section A(1): non-existence of insurance against perils that are required by the borrower - including mandatory flood insurance in the Assured's loan closing procedures. Section A(2): Liability. Covers errors and omissions, on a claims made basis, relating to the Assured's handling of physical damage insurance and homeowner's insurance covering the real property of borrowers. The Assured's defence costs are also provided for within the limits. Section B(1): Real estate tax liability. Covers the Assured against errors and omissions relating to non-payment of real estate tax by the Assured on behalf of a borrower. Section B(2): Section suspended as coverage incorporate in Section F. Section B(3): Life and Disability insurance. Covers the Assured against errors and omissions arising out of the Assured's procurement and maintenance of life or disability insurance on behalf of a borrower. Flood Disaster Act 1973 liability. Covers the Assured against errors and omissions claims arising out of Assured's duty Section B(4): to determine whether or not a particular property is in a flood zone. Section B(5): GNMA procedures. Covers the Assured, as mortgage servicer, against errors and omissions should the Assured fail to comply with GNMA procedures which result in a guarantee being lost. Section B(6): Title Errors & Omissions liability. Covers errors and omissions arising out of the Bank's failure to obtain the correct title insurance, or a title abstract or legal opinion as to a title depending on custom and practice. Section B(7): Recordation Errors & Omissions. Covers errors and omissions arising out of the Bank's recordation of a loan as a servicer of a loan sold to GNMA/FNMA/FHLMC
- **Section B(8):** Satisfaction of Mortgage liability. Covers errors and omissions arising out of the Bank's connection with the satisfaction of a mortgage on property in which the Assured holds an insurable interest.

(Section B coverages are on a 'claims made' basis and, in addition, provide for the Assured's defence costs, within the limits)

- **Section C:** *Physical loss or damage from Balance of Perils.* Provides insurance should the security for the loan suffer a physical loss from any other cause other than outlined in A(1), and the Assured be unable to recover the loan from the borrower.
- Section F: Loss of Veterans Administration, Federal Housing Administration, Small Business Administration and private mortgage guarantee coverage. Covers loss to the Assured's interest should he fail to provide to a 'mortgage guarantee' agency or Insurance Company its property notice of loans in arrears.
- Section G: Loss of Security Interest due to Defective Title.
- Section H: Custodial Errors and Omissions. Losses incurred due to the verification, certification, maintenance and custody of documents concerning loans sold to GNMA, FNMA or FHLMC



ALL SECTIONS SUBJECT TO THE TERMS AND EXCLUSIONS OF THE POLICY. PLEASE COMPLETE ALL PARTS OF THIS APPLICATION.

PART 1: GENERAL QUESTIONS

Note: Policies will be issued in the joint name of the applicant and any 'servicing' subsidiary scheduled below.

1. Na	me of applicant:					
2. Ad	dress:					
3. Yea	ar Established:	Charter:	State	Federal	Nationa	al
	be of institution (i.e. Savings ortgage Bank; or other):	and Loan – Member of Sav	ings and Loan Lea	gue; Federal/Comn	nercial/ Natio	nal Savings Bank;
5. Ma	jor affiliations (i.e. National S	Savings and Loan League/S	itate Savings and L	oan Association):		
PAR	2: QUESTIONS CONCER	NING THE APPLICANT	S MORTGAGE P	ORTFOLIO		
Note:	Value' should, where poss	ood as applicant plus servic ible, exclude the value of loa urance 'Mortgage' includes 'l	ins secured solely by	/ land.	5'	
the	es applicant's standard mort amount of applicant's mort nmercial policy coinsurance	gage interest for a minimu				
2. Do	es the applicant require beir	ng named as mortgagee or	the mortgagor's i	nsurance policy?	Yes	No
	es the applicant require haz rom Best's policyholder ratir		properties to be p	rovided by insuran	ice companies Yes	s with a rating of at No
4. For	Loans serviced on the appli	cant's behalf by others, do	es the applicant re	quire that Servicer	s carry their o Yes	wn E & O Insurance No
5. Wh	hat is the average life of the a	pplicant's recently paid up	loans?			
6. Does the applicant check that insurance required of the mortgagor is in force at loan closing?				Yes	No	
7. Do	es the applicant mail out, at	least annually, reminder no	otices to the borro	wer that they shou	ld maintain h Yes	azard insurance? No
8. Do	es the applicant' "force place	" coverage when necessar	y? Hazaro	dInsurance	Yes	No
			Flood	Insurance	Yes	No
Na	me of Carriers:					
De	scribe the method of trackin	g used:				
9. Do	es the applicant's forced pla	ced program include the "A	Automatic Coverag	e Endorsement"?	Yes	No



10. Provide the number of forecl	Total	l and the number of mo Number of gages Outstanding	rtgages outstanding for ea Number of Foreclosures	ich of the last three calendar years: Average Balance of Loans Foreclosed
Year ended::		0 0		
Year ended:				
11. Over the past 12 months, wh	at was the averag	e length of time prior to	sale of foreclosed propert	y:
12. Provide average percentage	of mortgages that	were 90 days or more d	elinquent over the past 12	2 months:
13. Estimated Number and Value	e of Loan originati	ons over the next 12 mo	nths, broken down as follo Number	ows: Value
Residential (1 – 4 Family) mo	rtgages:			
Commercial Mortgages:				
14. BREAKDOWN OF ALL MORTO	GAGES (INCLUDIN	G COMMERCIAL, 2NDS A		
(a) Number of mortgages ser interest (wholly owned or	2 1 1	t for own		
(b) Number of mortgages sen (no mortgage interest):	rviced by applican	t for other		
(c) Number of mortgages ser applicant's interest (wholly	•	pr		
(d) Total number of mortgag non-owned but serviced (ld		
15. Number and value of ALL loa			ted in:	
Florida	Number	Value		
Alabama			% in 1st tier Coasta	Counties
Connecticut				Counties
Delaware			% in 1st tier Coasta	Counties
Georgia			% in 1st tier Coasta	Counties
Louisiana			% in 1st tier Coasta	Counties
Maine			% in 1st tier Coasta	Counties
Maryland			% in 1st tier Coasta	
Massachusetts			% in 1st tier Coasta	
Mississippi			% in 1st tier Coasta	l Counties
New Hampshire			% in 1st tier Coasta	Counties
New Jersey			% in 1st tier Coasta	Counties
New York			% in 1st tier Coasta	Counties
North Carolina			% in 1st tier Coasta	Counties
Rhode Island				Counties
South Carolina				Counties
Texas			—— % in 1st tier Coasta	Counties
Virginia			—— % in 1st tier Coasta	Counties



	Number	Value			
16. COMMERCIAL MORTGAGES ONLY:			_		
17. 2ND MORTGAGES AND HOME EQUITY LOANS:			_		
18. MOBILE HOMES ONLY:			_		
19. MORTGAGES IN EXCESS OF \$1,000,000:			-		
20. The Outstanding Balance of the five largest loans: 1.					
2 3					
4 5					
21. Approximate percentage of serviced loans subject to V					
22. What procedures are followed to give proper notice of	f delinquency to mortgage gua	arantors?			
23. State approximate percentage number of loans on wh	ich applicant "escrows" for:				
(a) Hazard Insurance (b) Life and D	Disability	(c) Real Estate Taxes			
24. What procedures does the applicant employ to monito		es?			
25. Has the applicant agreed to undertake any Custodial SIf "yes", provide the following:(a) Number of loan files the applicant holds in custo			No		
(b) Number of loan files the applicant holds in custo	-				
(c) Number of loan files the applicant holds in custo	-				
(d) Description of the location, fire protection, & seco	-				
(e) Details of back-up records in existence in case of	loss to the original files.				
(f) Details of how the applicant controls and tracks f	(f) Details of how the applicant controls and tracks file access, removal & return.				
26. Does the applicant require mortgagors to obtain Title closing? Yes No If yes, provide the following:					
(a) Percentage of loans on which evidence is required					
(b) Description of these requirements.	_				
(c) Description of applicant's loan policy provisions wit	h respect to Title examination	s / searches.			
(d) Estimated number of mortgage loans to be made i	n the next 12 months:				



PART 3: GEOGRAPHICAL BREAKDOWN OF LOANS

Notes: Include in the following those loans in which the applicant has a mortgage in Part 2 Q14 (a) + (c) only)	terest (wholly or part owned)	only (i.e. Loans declared in
DO NOT INCLUDE LOANS OWNED BY OTHER THAN THE APPLICANT.		
"Value" should, where possible, exclude the value of loans secured solely by lar	nd.	
1. Total number of mortgages (wholly or partially owned) numbered in Part	2 Q14 (a)+(c)	
2. Total value of mortgages (wholly or partially owned) numbered in Part 2 C	214 (a)+(c)	
3. Area division of mortgages numbered and valued above:		
	Number	Value
(a) All States – excluding those States set out separately below:		
(b) North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana & Texas		
(c) Tennessee		
(d) Arkansas		
(e) Missouri		
(f) Kentucky		
(g) Washington		
(h) Oregon		
(i) CALIFORNIA COUNTIES, including:		
i. San Francisco, San Mateo		
ii. Contra Costa, Alameda		
iii. Del Norte, Humboldt, Lake, Marin, Mendocino, Napa Solano, & Sonoma		
iv. Monterey, San Benito, Santa Cruz, Santa Clara		
v. Los Angeles		
vi. Orange		
vii. Kern, St. Luis Obispo, Santa Barbara, Ventura		
viii. San Diego		
ix. Alpine, Imperial, Inyo, Mono, Riverside, San Bernadino		
x. All other counties not included in i to ix above		
(j) Hawaii		
(k) Alaska		
(l) Puerto Rico		
(m) Other (please specify)		



PART 4: COVERAGE REQUIRED

Section A	Limit	Deductible
Section B (1)	Limit	Deductible
Section B (3)	Limit	Deductible
Section B (4)	Limit	Deductible
Section B (5)	Limit	Deductible
Section B (6)	Limit	Deductible
Section B (7)	Limit	Deductible
Section B (8)	Limit	Deductible
Section C	Limit	Deductible
Section F	Limit	Deductible
Section G	Limit	Deductible
Section H	Limit	Deductible
Others (specify)		

PART 5: PREVIOUS MORTGAGE PROTECTION POLICY

arrier:
mit of Liability:
eductible:
olicy Period:
remium:

PART 6: DECLARATION

1. Has the applicant made application for insurance under any of the sections of the Policy had been declined?	Yes	No		
If "yes", state circumstances:				
2. Has the applicant suffered any losses during the past five years or is the applicant aware of any circumstances likely to give rise to a				
loss under any Section of the Policy?	Yes	No		

If "yes", give details: ____

I/We hereby declare that the above statements and particulars are true, that I.we have not suppressed or mis-stated any material facts and I/we agree that this Proposal Form shall be the basis of the Contract with Underwriters.

(Signature and title of Officer)

(Date)

