

Application

FINANCIAL INSTITUTION BOND STANDARD FORM NO. 15 FOR MORTGAGE BANKERS AND FINANCE COMPANIES

FL- 033 BOND 15



APPLICATION IS HEREBY MADE BY (List all insured's, including Employee Benefit Plans) _____

PRINCIPAL ADDRESS (Herein called the insurer) _____

FOR A FINANCIAL INSTITUTION BOND, STANDARD FORM NO. 15, TO BECOME EFFECTIVE AS OF 12:01 A.M. ON _____

TO 12:01 A.M. ON _____ IN THE AGGREGATE LIMIT OF LIABILITY OF \$ _____

DATE INSURED WAS ESTABLISHED _____ NAME OF PRIOR CARRIER _____

1. INSURED IS A (CHECK THE APPROPRIATE BOX):

☐ STOCK BROKER ☐ INVESTMENT BANKER ☐ DEALER IN SECURITIES (NOT DEALER IN MORTGAGES OR COMMERCIAL PAPER)

☐ INVESTMENT TRUST (NOT SMALL BUSINESS INVESTMENT COMPANY OR REAL ESTATE INVESTMENT TRUST) ☐ MUTUAL FUND

☐ FOUNDATION ☐ ENDOWMENT FUND ☐ COMMODITY BROKER (IF STOCK EXCHANGE MEMBER) ☐ OTHER _____

2. INSURED IS A (CHECK THE APPROPRIATE BOX): ☐ SOLE PROPRIETORSHIP ☐ PARTNERSHIP ☐ CORPORATION

3. IDENTIFY THE STATES IN WHICH YOU ARE LICENSED TO DO BUSINESS:

4. FOR ALL INSURED'S, SHOW THE TOTAL NUMBER OF:

NO. OF

A) SALARIED OFFICERS, EMPLOYEES AND PERSONS PROVIDED BY EMPLOYMENT CONTRACTORS:

B) LOCATIONS (OTHER THAN THE HOME OFFICE OF THE FIRST NAMED INSURED) IN THE U.S., CANADA, PUERTO RICO AND VIRGIN ISLANDS

C) LOCATIONS OUTSIDE THE U.S., CANADA, PUERTO RICO AND VIRGIN ISLANDS, LIST BELOW:

LOCATION

LOCATION

5. COMPLETE THE FOLLOWING:

TOTAL ASSETS

(A) AS OF THE LATEST DEC. 31

\$ _____

(B) AS OF THE LATEST JUNE 30

\$ _____

6. COMPLETE THE FOLLOWING FOR OPTIONAL COVERAGE'S DESIRED:

FORM OF COVERAGE

SINGLE LOSS LIMIT

A) IS INSURING AGREEMENT (D) – FORGERY OR ALTERATION COVERAGE DESIRED?

YES ☐ NO ☐

\$ _____

B) IS INSURING AGREEMENT (E) – SECURITIES COVERAGE DESIRED?

YES ☐ NO ☐

\$ _____

C) IS TRADING LOSS COVERAGE DESIRED?

YES ☐ NO ☐

\$ _____

D) IS EXTORTION – THREATS TO PERSONS COVERAGE DESIRED?

YES ☐ NO ☐

\$ _____

If "YES", list below locations to be excluded:

LOCATION

LOCATION

7. COMPLETE THE FOLLOWING FOR OPTIONAL COVERAGE'S DESIRED (CONT'D)

SINGLE LOSS LIMIT

E) IS EXTORTION – THREATS TO PROPERTY COVERAGE DESIRED?

YES [] NO []

\$ _____

If "YES", list below locations to be excluded:

LOCATION

LOCATION

SINGLE LOSS LIMIT

F) IS COMPUTER SYSTEMS FRAUD COVERAGE DESIRED?

YES [] NO []

\$ _____

If "YES", complete the following:

(1) INSURED'S COMPUTER SYSTEM(S)

FOR THE COMPUTER SYSTEM(S) YOU OPERATE, WHETHER OWNED OR LEASED, COMPLETE THE FOLLOWING:

A) NUMBER OF INDEPENDENT SOFTWARE CONTRACTORS AUTHORIZED TO DESIGN, IMPLEMENT OR SERVICE PROGRAMS

FOR YOUR SYSTEM(S): _____

B) IS ACCESS TO YOUR SYSTEM(S) BY CUSTOMERS OR OTHER OUTSIDE PARTIES PERMITTED?

YES [] NO []

(2) OTHER COMPUTER SYSTEMS

LIST BELOW OTHER COMPUTER SYSTEM(S) FOR WHICH COVERAGE IS DESIRED:

COMPUTER SYSTEM(S)

G) IS COVERAGE DESIRED ON BUSINESSES ENGAGED IN THE DATA PROCESSING OF YOUR CHECKS OR OTHER ACCOUNTING RECORDS?

YES [] NO [] If "YES", list below the name and location of each data processor:

NAME & LOCATION

NAME & LOCATION

H) IS COVERAGE DESIRED ON CLOSING ATTORNEYS RETAINED BY YOU TO PREPARE DEEDS, INVESTIGATE TITLES OF REAL PROPERTY OR OTHERWISE ASSIST IN THE MAKING OF MORTGAGE LOANS? (TITLE INSURANCE COMPANIES ONLY)

YES [] NO []

If "Yes", list below the name and location of each closing attorney:

NAME & LOCATION

NAME & LOCATION

8. CHECK THE APPROPRIATE BOX(ES) IF YOU ARE A SELLER OR SERVICER OF SECONDARY MARKET MORTGAGES OF:

[] FREDDIE MAC, [] FANNIE MAE, [] GINNIE MAE, [] OTHER AGENCIES

9. FOR DEDUCTIBLES, COMPLETE THE FOLLOWING: (NOTE: DEDUCTIBLES ON INSURING AGREEMENTS (D) AND (E) MUST BE AT LEAST EQUAL TO THAT CARRIED ON THE BASIC BOND COVERAGE. DEDUCTIBLES ON EXTORTION COVERAGE MAY BE WRITTEN IN ANY AMOUNT.)

COVERAGE

SINGLE LOSS DEDUCTIBLE

A) ALL COVERAGE'S EXCEPT INSURING AGREEMENTS (D), (E) AND EXTORTION

\$ _____

B) INSURING AGREEMENT (D)- FORGERY OR ALTERATION

\$ _____

C) INSURING AGREEMENT (E)- SECURITIES

\$ _____

D) EXTORTION- THREATS TO PERSONS

\$ _____

(E) EXTORTION- THREATS TO PROPERTY

\$ _____

10. IF COVERAGE IS BEING WRITTEN ON AN EXCESS, CONCURRENT OR CO-SURETY BASIS, SHOW THE NAMES OF THE OTHER CARRIERS AND BOND LIMITS. IN THE CASE OF CO-SURETY ALSO SHOW PERCENTAGE PARTICIPATIONS:

11. IF COVERAGE IS BEING WRITTEN ON A COINSURANCE BASIS, SHOW YOUR PERCENTAGE PARTICIPATION (NOTE: Insured may assume a participation of between 5% and 25%.) %

12. AUDIT PROCEDURES:

A) IS THERE AN ANNUAL ☐ , SEMI-ANNUAL ☐ AUDIT BY AN INDEPENDENT CPA? YES ☐ NO ☐

B) IF "YES", IS IT A COMPLETE AUDIT MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND SO CERTIFIED?

C) IF ANSWER TO (B) IS "NO", EXPLAIN THE SCOPE OF THE CPA'S EXAMINATION:

D) IS THE AUDIT REPORT RENDERED DIRECTLY TO ALL PARTNERS IF A PARTNERSHIP OR TO THE BOARD OF DIRECTORS IF A CORPORATION?

YES [] NO []

E) NAME AND LOCATION OF CPA:

F) DATE OF COMPLETION OF LAST AUDIT BY CPA: _____

G) IS THERE A CONTINUOUS INTERNAL AUDIT BY AN INTERNAL AUDIT DEPARTMENT?

YES [] NO []

H) IF "YES", ARE MONTHLY REPORTS RENDERED DIRECTLY TO ALL PARTNERS IF A PARTNERSHIP OR TO THE BOARD OF DIRECTORS IF A CORPORATION?

YES [] NO []

1) ARE MONEY AND SECURITIES ACTUALLY COUNTED AND VERIFIED?

YES [] NO []

J) HOW OFTEN ARE LOAN BALANCES VERIFIED?

YES [] NO []

13. INTERNAL CONTROL (OTHER THAN AUDIT PROCEDURES):

A) DO YOU REQUIRE ANNUAL VACATIONS OF AT LEAST TWO CONSECUTIVE WEEKS FOR ALL PERSONNEL? YES [] NO []

If "NO", explain:

B) IS THERE A FORMAL, PLANNED PROGRAM REQUIRING SEGREGATION OF DUTIES SO THAT NO SINGLE TRANSACTION CAN BE FULLY CONTROLLED FROM ORIGINATION TO POSTING BY ONE PERSON? YES []

YES [] NO []

If "NO", explain:

C) ARE BANK ACCOUNTS RECONCILED BY SOMEONE NOT AUTHORIZED TO DEPOSIT OR WITHDRAW?

YES [] NO []

If "NO", explain:

D) IS COUNTERSIGNATURE OF CHECKS (INCLUDING ESCROW ACCOUNTS) REQUIRED?

YES [] NO []

If "NO", explain:

E) ARE MONTHLY STATEMENTS (WHETHER OR NOT THERE WAS ACTIVITY IN THE ACCOUNT) MAILED DIRECTLY TO ALL CUSTOMERS?

YES [] NO [] If "NO", explain:

14. HAS THERE BEEN ANY CHANGE IN OWNERSHIP OR MANAGEMENT WITHIN THE PAST THREE YEARS? YES [] NO []

If "YES", explain:

15. HAS ANY INSURANCE BEEN DECLINED OR CANCELED DURING THE PAST THREE YEARS?

YES [] NO []

If "YES", explain:

16. LIST ALL LOSSES SUSTAINED DURING THE PAST THREE YEARS, WHETHER REIMBURSED OR NOT, FROM _____/_____/_____

TO _____ / _____ / _____ . CHECK IF NONE []

[illegible]

THE INSURED REPRESENTS THAT THE INFORMATION FURNISHED IN THIS APPLICATION IS COMPLETE, TRUE AND CORRECT. ANY MISREPRESENTATION, OMISSION, CONCEALMENT OR INCORRECT STATEMENT OF A MATERIAL FACT, IN THIS APPLICATION OR OTHERWISE, SHALL BE GROUNDS FOR THE RESCISSION OF ANY BOND ISSUED IN RELIANCE UPON SUCH INFORMATION.

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO DEFRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

DATED AT _____ THIS _____ DAY OF _____ YEAR _____

(Insured) BY _____
(Name and Title)

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