OSC
INSURANCE SERVICES

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.

Section A(1): ***Physical loss or damage from 'Required Perils'.*** Covers loss to the Assured's interest through the uncollectability or 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.

Section B(4): ***Flood Disaster Act 1973 liability.*** Covers the Assured against errors and omissions claims arising out of Assured's duty 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. Name of applicant: _____

2. Address: _____

3. Year Established: _____ Charter: ☐ State ☐ Federal ☐ National

4. Type of institution (i.e. Savings and Loan – Member of Savings and Loan League; Federal/Commercial/ National Savings Bank; Mortgage Bank; or other):

_____

5. Major affiliations (i.e. National Savings and Loan League/State Savings and Loan Association):

_____

PART 2: QUESTIONS CONCERNING THE APPLICANT'S MORTGAGE PORTFOLIO

Note: 'Applicant' is to be understood as applicant plus servicing subsidiary named in Part 1.
'Value' should, where possible, exclude the value of loans secured solely by land.
For the purpose of this insurance 'Mortgage' includes 'Home Equity Loans' and '2nd Mortgages'

1. Does applicant's standard mortgage agreement require borrowers to procure and maintain insurance in an amount of not less than the amount of applicant's mortgage interest for a minimum of the perils of fire and extended coverage and in compliance with any commercial policy coinsurance clause? ☐ Yes ☐ No

2. Does the applicant require being named as mortgagee on the mortgagor's insurance policy? ☐ Yes ☐ No

3. Does the applicant require hazard policies for mortgaged properties to be provided by insurance companies with a rating of at least B from Best's policyholder ratings? ☐ Yes ☐ No

4. For Loans serviced on the applicant's behalf by others, does the applicant require that Servicers carry their own E & O Insurance? ☐ Yes ☐ No

5. What is the average life of the applicant'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. Does the applicant mail out, at least annually, reminder notices to the borrower that they should maintain hazard insurance? ☐ Yes ☐ No

8. Does the applicant' "force place" coverage when necessary?
   Hazard Insurance ☐ Yes ☐ No
   Flood Insurance ☐ Yes ☐ No

   Name of Carriers: _____

   Describe the method of tracking used: _____

9. Does the applicant's forced placed program include the "Automatic Coverage Endorsement"? ☐ Yes ☐ No

10. Provide the number of foreclosures completed and the number of mortgages outstanding for each of the last three calendar years:

	Total Number of Mortgages Outstanding	Number of Foreclosures	Average Balance of Loans Foreclosed
Year ended _____:			
Year ended _____:			
Year ended _____:			

11. Over the past 12 months, what was the average length of time prior to sale of foreclosed property: _____

12. Provide average percentage of mortgages that were 90 days or more delinquent over the past 12 months: _____

13. Estimated Number and Value of Loan originations over the next 12 months, broken down as follows:

	Number	Value
Residential (1 – 4 Family) mortgages:		
Commercial Mortgages:		

14. BREAKDOWN OF ALL MORTGAGES (INCLUDING COMMERCIAL, 2NDS AND HOME EQUITY LOANS)

	Number	Value
(a) Number of mortgages serviced by applicant for own interest (wholly owned or part owned):		
(b) Number of mortgages serviced by applicant for other (no mortgage interest):		
(c) Number of mortgages serviced by others for applicant's interest (wholly or part owned):		
(d) Total number of mortgages both owned and non-owned but serviced (i.e. (a) + (b) + (c)):		

15. Number and value of ALL loans as shown in 14. (d) above that are located in:

	Number	Value		
Florida				
Alabama			% in 1st tier Coastal Counties	
Connecticut			% in 1st tier Coastal Counties	
Delaware			% in 1st tier Coastal Counties	
Georgia			% in 1st tier Coastal Counties	
Louisiana			% in 1st tier Coastal Counties	
Maine			% in 1st tier Coastal Counties	
Maryland			% in 1st tier Coastal Counties	
Massachusetts			% in 1st tier Coastal Counties	
Mississippi			% in 1st tier Coastal Counties	
New Hampshire			% in 1st tier Coastal Counties	
New Jersey			% in 1st tier Coastal Counties	
New York			% in 1st tier Coastal Counties	
North Carolina			% in 1st tier Coastal Counties	
Rhode Island			% in 1st tier Coastal Counties	
South Carolina			% in 1st tier Coastal Counties	
Texas			% in 1st tier Coastal Counties	
Virginia			% in 1st tier Coastal 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 VA, FHA, SBA or other Mortgage Guarantee Insurance: _____

22. What procedures are followed to give proper notice of delinquency to mortgage guarantors?

_____

23. State approximate percentage number of loans on which applicant "escrows" for:

(a) Hazard Insurance _____ (b) Life and Disability _____ (c) Real Estate Taxes _____

24. What procedures does the applicant employ to monitor payment of Real Estate Taxes?

_____

25. Has the applicant agreed to undertake any Custodial Services for FHLMC, FNMA and/or GNMA? ☐ Yes ☐ No

If "yes", provide the following:

(a) Number of loan files the applicant holds in custody for FHLMC: _____

(b) Number of loan files the applicant holds in custody for FNMA: _____

(c) Number of loan files the applicant holds in custody for GNMA: _____

(d) Description of the location, fire protection, & security provided by applicant for these files.

_____

(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 file access, removal & return.

_____

26. Does the applicant require mortgagors to obtain Title Insurance and/or the equivalent, as appropriate to local practice, at loan closing? ☐ Yes ☐ No

If yes, provide the following: _____

(a) Percentage of loans on which evidence is required at loan closing: _____

(b) Description of these requirements. _____

(c) Description of applicant's loan policy provisions with respect to Title examinations / searches.

_____

(d) Estimated number of mortgage loans to be made in the next 12 months:

_____

PART 3: GEOGRAPHICAL BREAKDOWN OF LOANS

Notes: Include in the following those loans in which the applicant has a mortgage interest (wholly or part owned) only (i.e. Loans declared in Part 2 Q14 (a) + (c) only)

DO NOT INCLUDE LOANS OWNED BY OTHER THAN THE APPLICANT.

"Value" should, where possible, exclude the value of loans secured solely by land.

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 Q14 (**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

Carrier: _____

Limit of Liability: _____

Deductible: _____

Policy Period: _____

Premium: _____

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)