



335 Commerce Dr., Crystal Lake, IL 60014

**SUA Financial Lending Application for Professional Liability and Bond**

**Instructions for Applicant Organization: Please type or print in ink. Answer all questions. If a question is not applicable, please provide an explanation and state NOT APPLICABLE. If the answer to any question is none, state NONE. If space is insufficient to answer any question fully, attach separate sheet(s).**

**Contact Information**

Name of Applicant: \_\_\_\_\_

List any subsidiaries for which coverage is desired: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Website: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Coverage Request (Check box if coverage is desired)**

Professional Liability:  Limit Request: \_\_\_\_\_

Fidelity Bond:  Limit Request: \_\_\_\_\_

Cyber Liability\*:  Limit Request: \_\_\_\_\_

Directors & Officers Liability\*:  Limit Request: \_\_\_\_\_

Employment Practices Liability\*:  Limit Request: \_\_\_\_\_

\*Separate application required

**Current Coverage**

	Policy Period	Carrier	Limit	Deductible	Premium	Retro Date
Fidelity Bond						
Professional Liability						
Cyber Liability						
Directors & Officers Liability						
Employment Practices Liability						

**General Questions**

1. Year Established: \_\_\_\_\_

2. Number of Locations with Underwriting Authority: \_\_\_\_\_

3. List the States of All Locations: \_\_\_\_\_

4. Organization type:  Corporation  Partnership  Sole Proprietor  LLC  Individual Loan Originator

5. Has there been any change in ownership or senior management in the past three years?  Yes  No

6. Identify all principals, persons, or entities owning 10% or more of the Applicant Company(ies), Parent Company (if any, please identify such as the parent), and indicate the percentage of ownership for each.

7. Describe the Applicant's nature of business: \_\_\_\_\_

8. Please list all Professional Associations that the applicant is a member of: \_\_\_\_\_

**Financial Information**

9. Are the Applicant's financial statements prepared or audited by a CPA?  Yes  No
10. Does the Applicant have sufficient working capital for the next 12 months of operations?  Yes  No

	Last Fiscal Year (20__ to 20__)	Current Year (20__ to 20__)
11. Assets		
12. Liabilities		
13. Revenues		
14. Net Income		

**Employee Count (List the current number of employees by the following activities)**

15. Board of Directors/Corporate Officers \_\_\_\_\_
16. Full Time Employees \_\_\_\_\_
17. Part Time Employees \_\_\_\_\_
18. Independent Contractors (Including 1099) (Check if coverage is desired)  \_\_\_\_\_
19. Total Employees (Combine Sections a, b, c and d if coverage for ICs is desired) \_\_\_\_\_

**Lending Activities for the twelve (12) months ending:** \_\_\_\_\_

(If the company has not yet originated or brokered any loans, advances, or financing agreements, please provide future estimates):

<b>Loan Volume</b>	Number of Loans	Dollar Volume
20. Loan/Finance Agreement Origination Volume which the applicant originates themselves		
21. Loan/Finance Agreement Servicing Volume which the applicant services themselves		
22. Loans/Finance Agreements purchased/acquired		
23. Loans/Finance Agreements brokered		
24. What percentage of the Loan Servicing Volume is 90 days past due? _____		
25. Please describe the type of Loans/Finance Agreements: _____		

**Types of Investors (Please provide the percentage of the total loan portfolio that is sold to the following entities (Totaling 100%))**

26. Sold to Fannie Mae/Freddie Mac \_\_\_\_\_
27. Sold to Other Institutional Investors (Please describe) \_\_\_\_\_
28. Sold to Individual Investors \_\_\_\_\_
29. Held in Applicant's Portfolio \_\_\_\_\_
30. Other (Please describe) \_\_\_\_\_
31. What percentage of the applicant's loan portfolio is securitized by the Applicant? \_\_\_\_\_
32. Have you introduced any new Loan Products in the past 12 months?  Yes  No
33. What is the average FICO score (If applicable)? \_\_\_\_\_
34. Please describe the source of funds for the loans/finance agreements: \_\_\_\_\_

**Professional Liability Questions**

35. Does the Applicant have formal written quality control procedures in place?  Yes  No
36. What percentage of loans/finance agreements are subject to Quality Control review? \_\_\_\_\_
37. Please confirm if the TILA-RESPA Integrated Mortgage Disclosure Rule (TRID) is applicable to your company? If "No", Please explain.  Yes  No
38. If "Yes", please confirm that the Applicant is TRID compliant.  Yes  No
39. Does the Applicant know of any or have any reported violations of laws in any of the following (FDCPA, FCRA, TCPA, TILA, RESPA, ECOA, Dodd Frank, TRID, or other consumer related lending or servicing laws) If "Yes", please provide a detailed description of their findings, fines, and what measures have been taken to correct errors.  Yes  No

40. In the past, has the Applicant utilized any outside legal services or consultants to implement new regulatory compliance of Dodd Frank, TRID, or other similar national and local legislations.  Yes  No

41. Has the applicant been investigated, audited, or fined by any national or local regulatory agency? If Yes, please describe which agency, the results of the investigation, and any corrective actions taken.  Yes  No

42. Does the Applicant have a compliance officer or similar position to confirm compliance with federal state and local laws?  Yes  No

43. Does the Applicant use regulatory compliance software?  Yes  No

44. Has the Applicant ever been required to repurchase or indemnify any loan(s)? (If "Yes", please provide the number of loans, the dollar volume, details of the repurchase, and any corrective actions taken.)  Yes  No

45. Please confirm all required licenses are in force.  Yes  No

46. Has the Applicant had any investigation into licensing or are there any ongoing license investigations from any state agency or other authority? If "Yes", please provide full details of investigation including the outcome and/or status.  Yes  No

47. Does the Applicant utilize a fraud detection service? If "Yes", what software or company do you use? (if applicable)  Yes  No

48. Does the Applicant have a fraud guard protection system or similar procedure to verify legitimacy of borrowers by checking social security numbers or another method to determine borrower identity? (If applicable)  Yes  No

49. Please confirm that the Applicant has dual controls in place so that no single person can control the entire origination or underwriting process?  Yes  No

50. Does the Applicant commingle Investor funds, or any other funds, required to be segregated by law or a third party?  Yes  No

**Fidelity Bond Supplemental Information**

If the Applicant is not requesting Bond coverage, check here  and proceed to next section.

51. List Loss Payee Requirements for Investors/Warehouse Lenders

52. Are bank accounts reconciled by someone not authorized to deposit or withdraw? If "No", please describe what controls are in place.  Yes  No

53. Is countersignature of checks (including escrow accounts) required? If "No", please describe what controls are in place to prevent check writing fraud.  Yes  No

54. Are all cash balances, bank balances, or similar balances reconciled on a monthly basis? If "No", please describe what controls are in place.  Yes  No

55. Are reconciliations prepared and supervised by an individual with no responsibility for cash receipts or disbursements by means of checks or wire transfer? If "No", please describe what controls are in place.  Yes  No

56. Please estimate the annual number of outgoing wire transfer transactions above \$5,000 \_\_\_\_\_

57. Does an officer, who is not responsible for the receipt or disbursement of cash, review all reconciliations and question unusual unreconciled items? If "No", please describe what controls are in place.  Yes  No

58. Does the Applicant verify the validity of funds transfer or payment requests with out-of-band authentication procedures? (Out-of-band means using a different means of communication from the funds transfer or payment request. For example, if the request comes in via email, the applicant will verify the validity of the request by calling the requesting party back at a pre-approved phone number.) If "No", how does the applicant protect itself from fraudulent fund requests.  Yes  No

**Construction Lending Supplemental Information**

If No Construction Lending, check here  and proceed to next section.

Breakdown of construction loan activity this past year:

	Number of Loans	Dollar Volume
59. 1-4 Family		
60. Multi-Family		
61. Commercial Property		
62. Total (Add a through c)		

63. Does the company require Builder's Risk Insurance to be written on "all risk" basis?  Yes  No

64. Does the company verify Builder's Risk coverage by receiving the original policy prior to the inception of construction activities?  Yes  No

65. If either answer to Question 63 or 64 is "No", please explain. \_\_\_\_\_

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66. When construction is completed, or occupied, Builder's Risk Insurance can terminate automatically. Please describe the procedures in place to convert Builder's Risk Insurance to a Property Insurance Policy when construction is complete or occupied.

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67. Does the Company always obtain a take-out commitment from an institutional lender prior to issuing a commitment to fund construction loans? If "No", how is the company protected against the financial failure of a construction project?  Yes  No

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68. Where does the Company obtain funds from which to make construction loans?

a. Company Funds  Yes  No

b. Permanent Investors' Funds  Yes  No

c. Warehouse Line of Credit  Yes  No

d. Other (specify) \_\_\_\_\_

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69. What type of guarantees are required on a construction loan?

a. Full personal guarantee of developer  Yes  No

b. Guarantee of developer and spouse  Yes  No

c. Guarantee of completion bond  Yes  No

d. Performance bond  Yes  No

e. Other (specify) \_\_\_\_\_

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70. Does the Company authorize and pay out land costs and/or fees to the developer for its outside services prior to commencing disbursement of actual physical progress payments?  Yes  No

71. What percentage of the construction loan funds and reserves for taxes, insurance and subcontractors' retainage are withheld until final completion? \_\_\_\_\_

72. Are progress payments authorized only after physical inspection?  Yes  No

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73. Describe the extent of physical inspection. How Often? At what stages of construction? By who (position)? Is this person the same as the officer or employee who served in soliciting or approving the loans?

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74. Does the company use "in-house" (or outside) appraisers to review construction plans and/or make appraisals?  Yes  No

**Claims Related Questions**

75. Has any insurance been declined or canceled during the past five years? (Not applicable in the state of Missouri)? If "Yes", please explain.  Yes  No

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76. During the past five years, has the Applicant or any predecessor in business or any of the past or present partners, Officers, Directors, or employees been the subject of an investigation, reprimand, disciplinary action, criticism, or filed complaint by the FHA, VA, PMI carrier, any investor, authority, or governmental agency? If "Yes", please explain.  Yes  No

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77. Does the applicant, or any predecessor in business or any of the past or present partners, Officers, Directors, or employees have any reasonable basis to believe that the applicant or any predecessor in business or any of the past or present partners, Officers, Directors or employees are aware of any circumstances, incidents, or situations during the past five years which have resulted or which may result in claims being made against the applicant, any of the past or present partners, Officers, Directors or employees or former employees of the applicant? If "Yes", please explain.  Yes  No

78. List all losses sustained during the past five years, whether reimbursed or not, from \_\_\_\_\_ to \_\_\_\_\_  
 Check if none

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location

**If there is knowledge of any such fact, circumstance, or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.**

The undersigned authorized person, on behalf of the Applicant, attest that all claims have been reported if the Applicant is aware of them. The Applicant further understands that any claim submitted after the completion of this application shall render any terms provided void and Underwriters shall have the right to re-underwrite the Applicant. In addition, no information provided by this application or along with this application shall be deemed to report a claim. Such notice should be made as instructed by the policy.

The undersigned authorized person, on behalf of the applicant, attests that to the best of his/her knowledge and belief the statements set forth herein are true. Although the signing of this Application Form does not bind the undersigned to effect insurance, the undersigned agrees that this application and the said statements shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy.

The undersigned authorized person on behalf of the applicant declares that the above statements are true, that neither the undersigned person nor the applicant has suppressed or misstated facts and that at the present time the applicant has no reason to anticipate any claims being brought against the applicant or any representative of the applicant or knowledge of any negligent act, error, omission or offense on the applicant's part or any representative of the applicant except as stated herein, and agrees that this Application Form shall be the basis of the contract between the applicant and the Company and shall be deemed a part hereof.

**NEW YORK—WARNING:** 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 also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**FRAUD WARNING:** 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 person to criminal and civil penalties.

Signing this form does not bind you to complete the insurance. Coverage will become effective upon approval of the application and issuance of the policy. It is agreed that this form will be the basis of the contract. Should a policy be issued, this form will be attached to and become a part of the policy.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_