

Instructions: Please complete the questions below for Sub Prime Loans. Where exact numbers are not available, please provide the Applicant's best estimate for the question asked. If information is not available, please mark "N/A".

Sub Prime Loan Definition: For the purposes of completing this application, Sub Prime Loans are generally deemed to be "B" quality loans or less that the Applicant can identify but should at a minimum include loans underwritten with a FICO score less than 620; Sub Prime Loans are thus to include any loans with FICO scores less than 620 and also any known sub prime loans of "B" quality or less (note some of these sub prime loans may have a FICO score higher than 619 and should be included). If the Applicant makes no Sub Prime Loans or makes no loans with FICO scores of less than 620, please complete only the following: the Applicant Name, Question "1", and signature section.

Applicant Name: _____

1. Estimated percentage of total loan origination that is Sub Prime (based on the definition above): _____%

If question 1 is answered "zero", go to the end of the application. Read the signature section and sign and date it. The application is complete. If the answer to question 1 is anything other than "zero", complete the remainder of this supplemental application.

2. Total Sub Prime Loans Originated (including purchased loans) in the past twelve months

Past 12 months	\$ _____	# of Loans _____
Projected next 12 months	\$ _____	# of Loans _____

Please advise when answering questions 3 through 10 if a material change (more than 20%) in the answer to the question is expected during the next twelve months)

3. Approximate Loan to Value breakdown for Sub Prime Loans by percentage:

+100% LTV	_____ %
No Down payment	_____ %
LTV +95-99%	_____ %
LTV +90-95%	_____ %
LTV +85%-90%	_____ %
LTV 85% or less	_____ %
	100% Total

4. Type of Sub Prime Loans by percentage

Fixed Rate Loans	_____ %
ARMS	_____ %

5. Please state the percentage of any Sub Prime ARM Loans with monthly adjustment features) _____%

6. Other categories (note this column can total more than 100% as some categories may overlap with others, but only answer for Sub Prime Loans here):

- A. Interest Only Loans _____%
- B. New homes loans in a development _____%
- C. Spec Homes _____%
- D. Are not owner occupied _____%
- E. Refinance Loans _____%
- F. Percentage of ARM Loans where
Applicant only has to qualify at initial payment level _____%
- G. Second Mortgage/HELOCs _____%
- H. No Doc/Low Doc Loans _____%

7. Indicate the percentage of loans with FICO scores in each range for the Applicants Sub Prime Loans:

- a. FICO scores above 619 _____%
- b. FICO score ranges from 580-619 _____%
- c. FICO score ranges from 550-579 _____%
- d. FICO score is less than 550 _____%

8. What percentage of Sub Prime Loans are sold without recourse? _____%

9. What approximate percentage of Sub Prime Loans are made without escrows set up for real estate taxes, insurance or other impounds? _____%

10. On No Doc or Low Documentation Loans, please provide an estimate of the Loan to Value Ratio of those loans made in the last twelve months: _____%

11. Please describe procedures used to limit the exposure to predatory lending claim allegations for the Sub Prime Loans being originated (disclosures such as rate adjustment disclosures, counseling on adjustments expected, etc.)

12. Have any claims involving sub prime loans been made against the Applicant?

Yes ___ No ___

If yes, please provide details of such and any corrective actions taken to prevent future claims for such:

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: _____

Title: _____

(Must be signed by Owner, Partner or President)

Date: _____

Month/Day/Year

Applicant Firm Name: _____