

THIS ENDORSEMENT CHANGES THE REAL ESTATE SERVICES ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY. PLEASE READ IT CAREFULLY.

MORTGAGE BANKING ENDORSEMENT

You and **We** agree **Part 5.C.1.** is amended by the addition of the following:

Any **Claim** arising out of **Your** interests, operations or activities as a mortgage broker/banker resulting from:

1. a. business property; or
- b. **Commercial Property**; or
- c. industrial property; or
- d. raw land; or
- e. undeveloped land; or
- f. any development project; or
- g. commercial construction; or
- h. loan portfolio sales or bulk loan sales
2. the inability or failure to pay or collect money held or to be held for others;
3. a **Claim** brought or maintained in any capacity on behalf of any governmental or quasi-governmental entity, agency, or authority unless and only to the extent that **You** were providing **Insured Services** as defined in this Policy directly to such entity, agency, or authority;
4. any loan or loans that are owned, in whole or in part, for more than nine (9) months by **You** and not sold to an investor;
5. failure by any insurance company to pay **Claims** because of bankruptcy, insolvency, conservation, liquidation or rehabilitation, or to any **Claim** arising out of the liability of **You** to maintain insurance coverage because such coverage is unavailable through standard markets;
6. the repurchasing of, and/or arrangement for the repurchasing of loans;
7. the commingling of money;
8. any **Claim** arising out of **Your** failure to comply with Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Authority (FHA) and/or Veterans Administration (VA) standards, codes, regulations or guidelines;
9. any guarantee of fund availability or any guarantee of a specified rate of return or locked in interest rate, unless such guarantees are provided by the institution that is furnishing the funds or unless such institution has provided a commitment letter detailing such terms;
10. bankruptcy or insolvency of a lender;
11. any service performed relative to property in which **You** have a financial interest, ownership interest or equity interest;
12. any suit brought by a lender for intentional acts or fraud committed by **You** regarding information on loan applications about borrower qualification;
13. any defective title or deed;

Further, to the extent that the Government National Mortgage Association, Federal National Mortgage Association Federal Home Loan Mortgage Corporation and/or any other entity(ies) set forth in any loss payment schedule, and to the extent said entity(ies) has/have an interest in real property serviced by the insured, any coverage hereunder shall be subject to the following:

- (a) the mortgage owner and **You** shall be joint loss payees; provided **We** are notified of the Mortgage Owners interest in the property before any loss payment is made;
- (b) if **We** cancel, non-renew, or restrict coverage on this Policy **We** will provide thirty (30) days notice to the mortgage owner, provided that failure to give such notice shall not impair, delay, or in any way affect such cancellation, non-renewal, or restriction;
- (c) if **You** cancel, do not renew, or restrict coverage, **We** will notify mortgage owners within ten (10) days of receipt of notice thereof, provided that failure to give such notice shall not impair, delay or in any way affect such cancellation or reduction; and

- (d) if **You** fail to file notice of **Claim** under this policy for loss for which coverage is afforded by this endorsement, the mortgage owner shall have the right to file a **Claim** directly with the company provided that such notice is accompanied by :
- i. proof of the Mortgage owners interest in real property serviced by **You**;
 - ii. proof that the mortgage owner notified **You** in writing at least thirty (30) days prior to the date of the **Claim** if **You** failed to do so within thirty (30) days. If the thirty day period expires after the end of the Policy period, then the mortgage owner shall have ten (10) days from the end of the 30 day period to submit a **Claim** to the company. Upon receipt of any settlement check, any listed mortgage owner shall have full authority to execute, and shall execute, a full release of our liability under this Policy.

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