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**ESCROW OPERATIONS SUPPLEMENT
 REAL ESTATE AGENTS ERRORS & OMISSIONS LIABILITY**

A. PROPOSED APPLICANT

1. Name of Applicant: _____
2. City & State: _____

B. PROFESSIONAL SERVICE ACTIVITIES AND SPECIALTY

1. Indicate the following:

| | Current Fiscal Year | Projected Fiscal Yr |
|--------------------------------------|---------------------|---------------------|
| a. Volume of Funds Handled | \$ _____ | \$ _____ |
| b. Value of the Largest Escrow | | \$ _____ |
| c. Average Value Per Escrow | | \$ _____ |

 2. Indicate the percentage of the Applicant's escrow current fiscal year gross receipts derived from:

| | | |
|-----------------------------|--|---------|
| a. Commercial Loans | | _____ % |
| b. Residential Loans | | _____ % |
| c. Land Loans | | _____ % |
| d. Construction Loans | | _____ % |
| e. Other, Describe: _____ | | _____ % |

 3. What portion of the Applicant's business comes from:

| | | |
|--|--|---------|
| a. Real Estate Firms (no ownership by Applicant) | | _____ % |
| b. Real Estate Firms (ownership interest by Applicant) | | _____ % |
| c. Title Companies | | _____ % |
| d. Banks, Savings & Loans, Mortgage Companies | | _____ % |
| e. Private Owners and Builders | | _____ % |
| f. Other, Describe: _____ | | _____ % |

 4. Does any client represent more than 25% of the Applicant's past fiscal year gross receipts?
- Yes* No
- * **If yes**, explain by attachment to this application form.
5. Does the Applicant:

| | | |
|---|--|--|
| a. Utilize a standardized set of instructions? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Require signatures on all modifications of instructions? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c. Internally audit escrow files prior to closing? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d. Have a regular audit conducted by an independent CPA firm? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

ESCROW OPERATIONS SUPPLEMENT

6. Does the Applicant perform or handle the following escrow services (if yes, indicate the current fiscal year percentage of total escrow operations represented by these activities)?
- a. Tax-deferred real estate exchanges Yes No _____%
- b. Refinance loan escrows Yes No _____%
- c. Construction payment disbursements Yes No _____%
7. Does the Applicant have a cross-checking system to guard against:
- a. Incorrectly kept records of closing transaction? Yes No *
- b. Failure to make proper filing documents for public record? Yes No *
- c. Improper calculation of tax, insurance or other finance figures? Yes No *
- * If no, explain: _____
8. Does the Applicant currently have fidelity bond coverage in place? Yes No
9. Does the Applicant have any written or oral agreements or understandings with any other company that involves the referral of business to or from the Applicant and/or is the Applicant a party to an "Affiliated Business Arrangement as defined by RESPA? Yes * No
- * If yes, advise by attachment to this Application: Information Attached
- i. Who they are and explain the nature and extent.
 - ii. Whether the relationships between the companies are disclosed to the individuals involved in the transactions involving these referrals (such as whether "Affiliated Business Arrangement Disclosure Statements are used).
 - iii. If any such written agreements and/or any such disclosures have been reviewed by an attorney.

| |
|-----------------------|
| C. ATTACHMENTS |
|-----------------------|

- | <u>INFORMATION</u> | <u>COPY ATTACHED</u> |
|---|--------------------------|
| 1. Copies of any preprinted escrow instructions forms | <input type="checkbox"/> |
| 2. Copy of the Applicant's escrow license | <input type="checkbox"/> |

| |
|------------------------------|
| PLEASE READ CAREFULLY |
|------------------------------|

I understand that the information submitted herein becomes a part of the Applicant Firm's Real Estate Agents Errors & Omissions Liability Proposal Form and is subject to the same representations and conditions.

Dated

Signature of Owner, Partner, Officer or Principal

Title

Owner, Partner, Officer or Principal (Print Name)