

Servicer Expense Reimbursement

Reimbursement Relief Tips and Best Practices Regarding COVID-19

April 20, 2020

As we continue to monitor the impacts of COVID-19, Fannie Mae is committed to providing assistance and rapid reimbursement of expenses incurred on all loans, including those impacted due to the pandemic. See below for important information and helpful reminders to assist with the claim submission process. Please feel free to reach out to the Fannie Mae Customer Management Solutions team if you have any additional questions or concerns.

Claim Filing

Fannie Mae will allow the servicer to submit requests for expense reimbursement as soon as the expense is incurred and does not limit the number of supplemental claims. In response to COVID-19, we understand there may be an extenuating need to submit a claim beyond the normal claim filing deadline. Until further notice, Fannie Mae Expense Reimbursement will accommodate late claims impacted by the pandemic. Please continue to submit all claim requests following the standard submission process. Claims submitted beyond the standard submission timeline will be reviewed and processed if possible. For questions regarding a late claim, please submit an inquiry through the Inquiry Response Tool (IRT).

Pre-Liquidation Claim Submissions

Servicers are encouraged to submit reimbursement requests as soon as they incur an expense. This includes escrow and other advances which can occur prior to liquidation. Our servicing policy includes provisions requiring servicers to remit any funds back to us if they recover any advances after we've already reimbursed them. This covers various scenarios, such as when servicers recoup advances from the borrower, from the insurer as unearned insurance premium refunds, or even from Fannie Mae as capitalized advances in a modification.

When submitting pre-liquidation expenses, please utilize the non-recoverable/not-yet recovered dropdown as applicable to assist us in tracking expenses that may be recovered in the future.

Supporting Documentation Unavailable

In response to certain tax and sheriff offices being closed or unreachable during the pandemic, we are creating more flexibility regarding tax and sheriff fee expense reimbursements. When documents are needed for reimbursement, we will PSR the claim and request the supporting documentation. If the necessary documentation is not obtainable, please leave a comment in the return submission indicating the documents are unavailable due to COVID-19. We will then review the claim for reimbursement without supporting documentation. Please keep in mind, Fannie Mae's post payment review team may request documentation once municipal offices have re-opened.

Non-Recoverable Expenses

As a reminder, please select the "non-recoverable" option when submitting expenses related to workout administrative costs as well as any legally non-recoverable expenses on current or paid off loans. For more information on the non-recoverable/not yet recovered dropdown, refer to the [Servicer Job Aid](#).



New! Line Item Search Tool

Launched March 2020

The new Line Item Search Tool enables users to perform a keyword search for all expense reimbursement line item categories and subcategories, eliminating the need to search through over a hundred pages to find the correct line item.

[Access the new tool](#)

[Take the training](#)

Excess Attorney Fees/Costs for Foreclosure and bankruptcy actions

Fannie Mae will approve excess attorney fees/costs associated with delays in foreclosure and Bankruptcy Actions due to COVID-19 through the LoanSphere IPA process. No specific documentation is needed; however, it's helpful if firms add comments stating the excess fees/costs are due to COVID-19.

Inquiries for Assistance

The expense reimbursement team is working and will respond to any inquiries that come in through the Inquiry Response Tool (IRT) tool in a timely fashion. As previously announced, servicers may request a return phone call, if necessary, where multiple IRT submissions might have been required to clarify a question or request.

Here is the link to the [Inquiry Response Tool](#).

Additional information:

- Find out how Fannie Mae is responding to COVID-19 [here](#).
- The Expense Reimbursement team is working diligently to adhere to our current service level agreement (SLAs) and timelines for claims processing; however, if there are necessary changes in regard to SLAs, we will notify you as quickly as possible.
- [Coronavirus \(COVID-19\) help for mortgage borrowers](#).
- Impact of COVID-19 on Servicing [Lender Letter\(LL-2020-02\)](#) .
 - i. For more information, visit the [Servicer Expense Reimbursement page](#).