



## COVID-19 Payment Deferral Reconciliation Quick Reference Guide

Fannie Mae encourages servicers to take a proactive approach by reconciling 571 claims early to avoid potential over and under payments. This quick reference guide outlines best practices related to COVID-19 payment deferral claim submissions and provides answers to some of the most frequently asked questions.

### 571 Claims - Payment Deferral Reconciliation

- Fannie Mae recommends using the “RECON” Claim Type when submitting COVID-19 Payment Deferral claims to identify claims related to the payment deferral.
- The deferred amount requested via the 571 claim must include any recoverable advances made by the servicer.

**NOTE:** *All non-recoverable expenses should be excluded from the payment deferral and submitted to Fannie Mae for reimbursement using the “Non-Recoverable” indicator. If there are any expenses that are recoverable from the borrower, but not reimbursable by Fannie Mae, the servicer should use the “Post Payoff PD Reimbursement” Subcategory (e.g. property preservation fees).*

- Any positive escrow balance must be credited to Fannie Mae before taxes and/or insurance will be reimbursed. This credit should be submitted using the “Deductible” Category and the “Escrow Balance” Subcategory.
- If the servicer made an early/interim claim(s) prior to the payment deferral completion, those expenses should be included in the deferral amount reported to Fannie Mae.

### 571 Claim Reconciliation Timeframe

- **Initial reconciliation** – Submit a claim(s) within 30 days of the COVID-19 payment deferral completion date.
- **Supplemental claim(s)** – Submit a claim(s) within 60 days of the COVID-19 payment deferral completion date if the servicer determines additional reimbursement is warranted.

### Frequently Asked Questions (FAQs)

#### Q1. Is a claim necessary for COVID-19 Payment Deferrals?

Yes, the servicer will not be automatically reimbursed for advances.

#### Q2. How should servicers account for expenses that have previously been claimed?

If all expenses included in the payment deferral were reimbursed on a previous claim, then no additional claim activity is needed. If a portion of the payment deferral advances are outstanding, an additional claim would be required for reimbursement.

#### Q3. What if an early/interim claim(s) that included expenses captured in the deferral amount was submitted prior to the deferral completion?

If additional expenses were advanced, a supplemental claim for the difference should be submitted. No refund is necessary for the disbursed funds from the prior claim.

#### Q4. What if the payment deferral claim is denied due to being aged?

The servicer should submit a request via the Inquiry Response Tool (IRT), selecting “Servicer” as the Inquiry Type and “Claim late exception request” as the Inquiry Category.