

MI premium from Fannie Mae, the servicer must remit the reimbursed funds to Fannie Mae through the CRS using the 336 receipt code within 30 days of Fannie Mae’s request, unless the servicer receives the MI premium refund following the repurchase of a bifurcated loan, in which case the servicer must follow [A1-3-03, Repurchase Obligations Related to Bifurcated Mortgage Loans](#).

## Defined Expense Reimbursement Limits

This procedure contains the amount that Fannie Mae will pay for its share of expenses when specific reimbursement expense limits are defined. Also see the [Allowable Foreclosure Attorney Fees Exhibit](#) and the [Allowable Bankruptcy Attorney Fees Exhibit](#) for additional information regarding fees associated with either of these legal proceedings. In addition, also see the [Property Preservation Matrix and Reference Guide](#) for additional information concerning preservation work.

| <b>Defined Expense Reimbursement Limits</b> |  |
|---|--|
| <b>Property Inspections</b>                 |  |
| Description                                 | Maximum Reimbursement Amount   |
| Interior Property Inspection                | \$45/inspection  |
| Exterior Property Inspection                | \$30/inspection  |
| Insured Loss Repair Inspection              | \$60/inspection  |
| <b>Workout Expenses</b>                     |  |
| Mortgage Release document preparation cost  | up to \$500 each, upon completion  |
| <b>Escrow Expenses</b>                      |  |
| Taxes                                       | Actual amount(s) that the servicer advanced to cover real estate tax payments when the escrow account has insufficient funds to pay the expense in a timely manner (see <a href="#">Advancing Funds to Cover Expenses in B-1-01, Administering an Escrow Account and Paying Expenses</a> and <a href="#">Reimbursement for Escrow Advances</a> in this topic for further details). |

| <b>Defined Expense Reimbursement Limits</b>     |   |
|---|---|
| Tax Penalties and Late Charges                  | <ul style="list-style-type: none"> <li>• Late charges and penalties are not payable on escrowed mortgage loans.</li> <li>• The first set of late charges and penalties for each tax type, for non-escrowed mortgage loans.</li> </ul>   |
| HOA Dues  | From the foreclosure sale date up to the REO sale date (disposition). Reimbursement of dues incurred prior to the foreclosure date will be decided per each state's statutes.   |
| Property and Flood Insurance                    | <p>Actual amount(s) that the servicer advanced to cover property and/or flood insurance premiums when the escrow account has insufficient funds to pay the expense in a timely manner, less any applicable unearned premium refund amount the servicer received when a policy is canceled. Fannie Mae will reimburse the servicer for such advances for a period of up to 14 days after</p> <ul style="list-style-type: none"> <li>• the date of the foreclosure sale or acceptance of an executed Mortgage Release,</li> <li>• the closing date for a short sale, or</li> <li>• for a third-party sale the later of the date the sale is completed (including funds received), or when applicable, the date the court confirms or ratifies the sale.</li> </ul> <p>See <i>Reimbursement for Escrow Advances</i> in this topic for further information. See also <a href="#">E-4.4-02, Remitting Property Insurance Settlement Proceeds or Unearned Premium Refunds</a> and <a href="#">E-4.4-04, Remitting Flood Insurance Settlement Proceeds or Unearned Premium Refunds</a></p> |
| <b>Technology Fees and Electronic Invoicing</b> |   |
| Description                                     | Maximum Reimbursement Amount  |
| Technology Fees                                 | \$25/mortgage loan for life of the default  |

| <b>Defined Expense Reimbursement Limits</b> |   |
|---|---|
| Electronic Invoicing                        | \$10/life of mortgage loan; \$5 for submission of electronic invoice relating to a foreclosure and an additional \$5 if a bankruptcy is filed on the same mortgage loan |
| <b>Property Preservation</b>                |   |
| Description                                 | Maximum Reimbursement Amount  |
| A. Securing                                 |   |
| Knob lock or Knob lock with deadbolt        | \$60 each   |
| Padlock or Hasp and Padlock                 | \$40 each   |
| Slider lock/Window lock                     | \$25 each   |
| Boarding                                    | \$0.90/united inches (UI)   |
| Clearboarding                               | Small ( $\leq 72$ UI) = \$185<br>Large ( $> 72$ UI) = \$285   |
| Repair/Replace Windows                      | Standard ( $\leq 36'' \times 36''$ ) = \$150<br>Large ( $> 36'' \times 36''$ ) = \$200<br>Life of loan cap = \$600  |
| Security Door                               | \$250/door  |
| Repair/Replace Exterior Door                | \$350 for the life of the mortgage loan   |
| Repair/Replace Exterior Door Jamb           | \$300 for the life of the mortgage loan   |
| Cover Exterior Dryer Vent                   | \$25 each — 1 per unit for the life of the mortgage loan  |

| <b>Defined Expense Reimbursement Limits</b>                     |   |
|---|---|
| Repair Garage Door  | \$100/door for the life of the mortgage loan  |
| Pool Covers   | \$1,200 for the life of the mortgage loan   |
| Repair/Replace Fence  | \$300 for the life of the mortgage loan   |
| Repair/Replace Gate   | \$300 for the life of the mortgage loan   |
| Repair/Replace Lanai  | \$300 for the life of the mortgage loan   |
| <b>B. Yard Service</b>  |   |
| Initial Grass Cut and Desert Landscaping (Less than 12" height) | For the life of the mortgage loan:<br>Less than 10,000 sq ft — \$125 each<br>10,001 — 15,000 sq ft — \$175 each<br>15,001 — 25,000 sq ft — \$200 each<br>25,001 — 35,000 sq ft — \$225 each<br>35,001 — 43,560 sq ft — \$250 each |
| Grass Re-cut and Desert Landscaping                             | Per instance:<br>Less than 10,000 sq ft — \$80 each<br>10,001 — 15,000 sq ft — \$100 each<br>15,001 — 25,000 sq ft — \$125 each<br>25,001 — 35,000 sq ft — \$150 each<br>35,001 — 43,560 sq ft — \$175 each                       |
| Trim Trees/Shrubs/Vines   | \$500/calendar year   |
| <b>C. Winterization</b>   |   |
| Dry Winterization   | \$150 for the first unit for the life of the mortgage loan  |
| Wet/Steam Winterization   | \$220 for the first unit for the life of the mortgage loan  |

| <b>Defined Expense Reimbursement Limits</b>  |  |
|--|--|
| Radiant Winterization  | \$260 for the first unit for the life of the mortgage loan |
| Additional unit of any type of winterization   | \$100 each for the life of the mortgage loan               |
| Re-Winterize   | \$50 each/calendar year                                    |
| <b>D. Health and Safety</b>  |  |
| Cleaning Refrigerator and Stand Alone Freezer  | \$100 each   |
| Moisture Control   | \$30 per product, \$360/calendar year                      |
| Address Discoloration  | \$400 for the life of the mortgage loan                    |
| Cleaning Toilet  | \$75 each, \$375 maximum for the life of the loan          |
| Capping Wires  | \$1 each   |
| Capping Gas/Water/Sewer Lines  | \$25 each  |
| Extermination  | \$100/calendar year  |
| Repair/Replace Deck  | \$300 for the life of the mortgage loan                    |
| Install/Repair/Replace Exterior Handrails  | \$300 for the life of the mortgage loan                    |
| Repair/Replace Steps   | \$150 for the life of the mortgage loan                    |
| <b>E. Raw Garbage, Perishable Debris, and Personal Property</b><br>*Combined maximum of 10 cubic yards for the life of the mortgage loan |  |
| Raw Garbage and Perishable Debris — Interior/Exterior  | *\$50/cubic yard   |

| <b>Defined Expense Reimbursement Limits</b> |  |
|---|--|
| Move Personal Property — Interior/Exterior  | *\$20/cubic yard   |
| Dead Vermin/Animal Removal                  | \$75 for the life of the mortgage loan   |
| Roof Cleaning                               | \$100/calendar year  |
| F. Additional Allowable Items               |  |
| Aerial Imagery Report                       | \$65 for the life of the mortgage loan   |
| Address Posting                             | \$50 for the life of the mortgage loan   |
| Chimney Cap                                 | \$250/cap — 2 per unit for the life of the mortgage loan   |
| Clean/Reattach Gutters                      | \$100/calendar year  |
| Repair/Replace Gutters                      | \$300/calendar year  |
| Snow Removal                                | \$100 each clearing, \$500/calendar year   |
| Repair/Replace Sump Pump                    | \$300 for the life of the mortgage loan  |
| Utility Transfers and Shut Off              | \$100 for one time shut off/transfer fee of each   |
| Utility Service                             | \$2,000 per initial utility service, \$200 per service per month for the life of the mortgage loan |
| Police/Fire Report                          | \$50 for the life of the mortgage loan   |
| Emergency Pump Water                        | \$500 for the life of the mortgage loan  |
| Graffiti Removal                            | \$200 for the life of the mortgage loan  |
| Repair/Replace Fascia                       | \$160 for the life of the mortgage loan  |

| <b>Defined Expense Reimbursement Limits</b> |   |
|---|---|
| Repair/Replace Soffits                      | \$200 for the life of the mortgage loan                         |
| Plumbing Services                           | \$150 for the life of the mortgage loan                         |
| Vacancy Notice Posting                      | \$35 for the life of the mortgage loan                          |
| <b>G. Damaged Properties</b>                |   |
| Patch/Repair Roof                           | \$800 for the life of the mortgage loan                         |
| Tarp Roof                                   | \$600 for the life of the mortgage loan                         |
| <b>H. Code Violations</b>                   |   |
| Code Violations/Citations                   | \$1,000 per fine/fee/lien \$3,000 for the life of mortgage loan |
| <b>I. Registration</b>                      |   |
| Property Registration                       | Actual cost to register per local requirement                   |

## Reimbursement for Other Reimbursable Default-Related Legal Expenses

In accordance with [E-5-07, Other Reimbursable Default-Related Legal Expenses](#), Fannie Mae will reimburse the servicer for the following out-of-pocket costs that it pays to third-party vendors or the courts, as long as the costs are actual, reasonable, and necessary (and are included in any applicable FHA, VA, RD, or MI claim that is filed):

- filing costs and other costs required by the courts (including fees paid to a third-party vendor to file electronically except when an option to file or record electronically without vendor charges exists);
- trustee sale guarantees or other title foreclosure litigation reports;
- costs for posting notices of foreclosure sales;
- costs for publication of legal notices (reimbursable for California non-judicial foreclosures only if the notices are placed as specified by Fannie Mae);
- costs for publication placement services for allowable jurisdictions;
- costs of announcing postponements of foreclosure sales;