

Expense Reimbursement Desk Reference

August 2011



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Notice

The information in this publication is intended to provide general guidance to Freddie Mac Servicers.

This information is offered as an aid in - not a substitute for - complying with the requirements set forth in the *Single-Family Seller/Servicer Guide* (the Guide), as amended. Each Freddie Mac approved Servicer must comply with all the provisions of the Guide, and of all other Purchase Documents, as that term is defined in the Guide. This publication does not constitute a part of the Guide or a Purchase Document.

The requirements and guidelines referenced in this publication are subject to change at any time by Freddie Mac.

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About Your Expense Reimbursement Desk Reference

We created this desk reference to give you quick and easy access to information that will help you complete your expense reimbursement claims. Each section contains requirements and guidelines to help you prepare and submit an accurate and complete claim to us via the Reimbursement System.

This desk reference also includes information on 104DC claims. If you use our designated counsel or trustees, they will generate a 104DC claim in the Reimbursement System that will be available for you to verify and submit to us for reimbursement of your legal fees and costs.

Refer to Chapter 71 in the *Single-Family Seller/Service Guide (Guide)* for detailed requirements on expense reimbursement.

If you have any questions about completing your expense reimbursement claims after reviewing this desk reference, please contact (800) FREDDIE.

About Your Expense Reimbursement Desk Reference

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Reimbursement System

Using the Reimbursement System

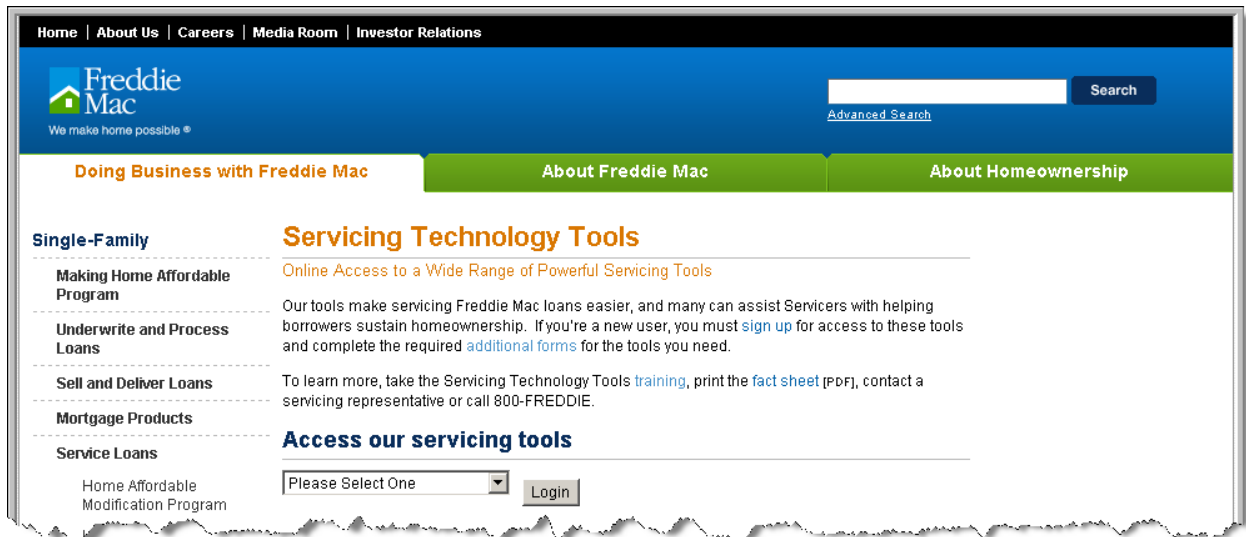
You are required to submit all of your 104SF and 104DC expense reimbursement claims via the Reimbursement System available on FreddieMac.com.

How to Obtain Your User ID and Password for the Reimbursement System

If you do not already have access to the Reimbursement System, a vice president or more senior officer from your organization must complete Form 1200, *Reimbursement System User Setup Form*, to designate an individual in your organization to serve as system administrator. The system administrator will obtain an initial user ID, vendor code and password from us for your organization, and will be responsible for administering user IDs, the vendor code, and passwords in accordance with the *Freddie Mac Reimbursement System User's Guide*. For additional information, refer to Chapter 71 of the *Single-Family Seller/Service Guide* (Guide).

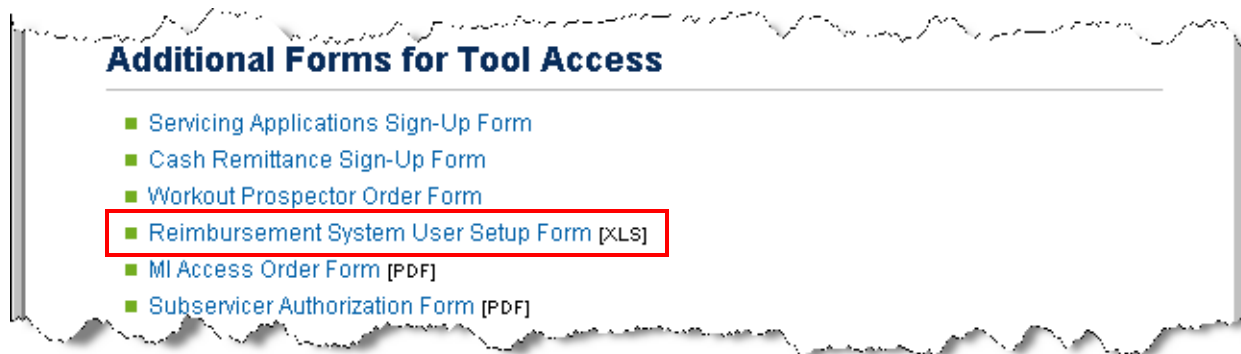
To access Form 1200, perform the following steps:

1. Access the Servicing Technology Tools page at the following URL on FreddieMac.com: <http://www.freddiemac.com/singlefamily/service/tools.html>. The Servicing Technology Tools page displays.



Reimbursement System

2. Scroll down and click on the Reimbursement System User Setup Form.



The *Reimbursement System User Setup Form* displays.

3. Complete and return the form to Reimbursement_System_Setup@Freddiemac.com or fax it to 571-382-4919.

Reimbursement System

How to Access the Reimbursement System

Perform the following steps to access the Reimbursement System:

1. Access the Servicing Technology Tools page at the following URL on FreddieMac.com: <http://www.freddiemac.com/singlefamily/service/tools.html>.
2. Click **Log In** under Reimbursement System.


The screenshot shows a webpage with a left-hand navigation menu and a main content area. The navigation menu includes links for Document Custody, Doing SF Business with Freddie Mac, Forms and the Guide, Single-Family News Center, Subscription Center, The Learning Center, Multifamily, Debt Securities, Mortgage Securities, and Servicing Suppliers. The main content area lists several tools with descriptions and 'Login' links. A red box highlights the 'Login' link for the 'Reimbursement System' tool, and a red arrow points from the 'Reimbursement System' text to this link.

- **Earlyline Cator**® is designed to help reduce credit losses, improve the efficiency of your delinquency management operations, and help borrowers avoid foreclosure. You must complete a contract and purchase access to use this delinquency scoring system.
- **Workout Prospector**® enables you to analyze and deliver modifications under HAMP and other alternatives to foreclosure, receive automatic property valuations, receive reports, and access specific loan information from our database. > [Login](#)
- **Workout Manager**® helps you spot instances where a workout has been unduly delayed and where your workout specialist might need more guidance to complete a workout arrangement. > [Login](#)
- **Timeline Manager**™ contains loan-level detail for mortgages past or approaching Freddie Mac time standards for each stage of the delinquent loan management process. > [Login](#)
- **Default Reporting Manager**™ allows you to view, analyze, and monitor Electronic Default Reporting (EDR) reports from your desktop and helps you monitor, validate and update your foreclosure sale reporting processes. > [Login](#)
- **Reimbursement System** makes it easier to file and obtain reimbursement for your default management expenses all in one location. > [Login](#)
- **Expense Manager**™ provides you with daily electronic status reports and other detailed information about your Freddie Mac default management and reimbursement requests. > [Login](#)

Reimbursement System

3. Enter your user name and password.

Freddie Mac
Reimbursement System

 Login

Username:

Vendor Code:

Password:

[Login](#)

[Privacy](#) | [Legal](#) | SSL | Version 3.1.1.6 | © 2009 First American Default Technologies.

4. Click Log In to access the application.

After you access the Reimbursement System, you are ready to being entering your data. For specific instructions on how to enter data for your claims, refer to the *Freddie Mac Reimbursement System User's Guide*.

Preparing and Submitting Your Claims

You must submit all of your 104SF and 104DC claims via the Reimbursement System.

You are not required to submit supporting documentation for expense reimbursement claims, unless we request documentation for specific expenses. If we request supporting documentation, you must submit the documentation to us within the timeframe outlined in our request.

Do not submit a 104SF claim to request compensation for workouts. We will track all workouts that you settle on a monthly basis. Each month, we will send you a check and the loan detail for all eligible workouts and repayment plans you settle during the period for which you are being compensated.

Guidelines for Preparing and Submitting Your Claims

- Verify that you do not exceed Freddie Mac's approved expense limits, unless you have submitted a request for pre-approval (RPA) via the Reimbursement System and we have provided approval. For a complete listing of Freddie Mac's approved expense amounts, refer to *Single-Family Seller/Servicer Guide* (Guide) Exhibit 57, *1-4 Unit Property Approved Expense Amounts*, and Guide Exhibit 57A, *Approved Attorney Fees and Title Expenses*, in the Guide, or the 1-4 Unit Property Approved Expense Amounts section in this desk reference. Please refer to the Guide for any updates to approved expense limits.
- Send a check made payable to the Federal Home Loan Mortgage Corporation for any amount due Freddie Mac if the net income/credit exceeds net expenses. If you have no expenses to offset the income, you will be unable to complete a 104SF claim – you will only send a check. Ensure that you include the Freddie Mac loan number on the check.

Send the check to the following address:

JP Morgan Chase Bank
131 S. Dearborn – 6th Floor
Chicago, IL 60603
Attn: Freddie Mac / 93434

Submission Types and Timeframes

Reimbursement requests for REO and non-REO expenses have different submission types and timeframes.

Preparing and Preparing and Submitting Your Claims

Non-REO Expenses

Non-REO expenses may include, but are not limited to, costs associated with the following:

- Workout settlements (i.e., short payoffs and charge-offs)
- Purchase of a property by a third party at foreclosure sale (after Freddie Mac's approval of any deficiency charge-off amount)
- Legal fees and/or legal costs considered non-recoverable from the borrower under applicable federal, state or local law upon reinstatement or pay off of the mortgage
- Bankruptcy completion on a current mortgage for which we pre-approved your hiring of an attorney to protect our interests when the borrower filed a bankruptcy and is current on the mortgage
- Title reports related to rejected workouts

Use the following table to determine when you must submit your claims for non-REO expenses.

Description	Claim Type	Timeframe
Expenses you incurred for the non-REO activity	Final	So that we receive it within 45 calendar days after the completion of the non-REO workout activity or event. This extended submission timeframe is a temporary requirement and is in effect until further notice as announced in Guide Bulletin 2009-11.
An expense omitted from the final claim; usually a delayed invoice	Supplemental	So that we receive it no later than 60 calendar days from the completion of the non-REO activity or event.
Expenses incurred that we adjusted or denied in a previous claim (i.e., expense adjustments you are correcting or contesting)		So that we receive it no later than 40 calendar days after the completion of the non-REO workout activity or event. Claim only the disallowed expense, attach the appropriate documentation, and provide justification for why the expense should be reimbursed. Resubmission does not guarantee payment.

Preparing and Submitting Your Claims

REO Expenses

We consider a property to be REO when we acquire it at foreclosure sale or at the end of a redemption or confirmation period, or by accepting a deed-in-lieu of foreclosure. REO expenses include costs you incur

- From the due date of the last paid installment (DDLPI) through the acquisition date
- During the REO holding period

Use the following table to determine when you must submit your claims for REO expenses.

Description	Claim Type	Timeframe
Expenses incurred up to and including the acquisition date	Initial	<p>So that we receive it within 45 calendar days of the acquisition date or foreclosure sale date (whichever occurs later).</p> <p>This extended submission timeframe is a temporary requirement and is in effect until further notice as announced in Guide Bulletin 2009-11.</p> <p><i>The acquisition date is defined as either the foreclosure sale or redemption date or the date of the expiration of the redemption or confirmation, whichever occurs later, or the date the deed-in-lieu of foreclosure is accepted.</i></p>
Expenses incurred that we adjusted or denied in a previous claim (i.e., expense adjustments you are correcting or contesting)	Supplemental	<p>So that we receive it no later than 40 calendar days after the acquisition date.</p> <p>Claim only the disallowed expense, attach the appropriate documentation, and provide justification for why the expense should be reimbursed.</p> <p>Resubmission does not guarantee payment.</p>
Allowable expenses incurred after the acquisition date	Final	<p>May be submitted any time as necessary after the acquisition date, but must be submitted no later than 60 calendar days after the settlement of the sale of the REO.</p>

Preparing and Preparing and Submitting Your Claims

Supporting Documentation

Typically, we will not require you to send supporting documentation with your expense reimbursement claims. However in some instances, such as expense reimbursement claim audits, we will require that you provide standard supporting documentation so that we can complete our review.

Standard supporting documentation includes, but is not limited to the following:

- Copies of the original bills or invoices for expenses submitted on the claim, including, but not limited to, legal fees and costs, property inspections, property preservation costs, primary mortgage insurance premiums and condominium/HOA/PUD assessments.
- A copy of the loan history reflecting twelve months prior to the DDLPI up until the date we request the loan history. Proof of payment of normal escrow items is not necessary, if provided in the loan history. However, if tax payments are not consistent with the other taxes, or paid in a lump sum, you must provide documentation from the taxing authority providing the breakdown of the tax amount, including any late charges, penalties, or interest, if applicable.
- The buydown account balance, if applicable.
- Copies of the claim filed with the RHS, if applicable.

Expense Reimbursement and the MI Claim Filing Process

Freddie Mac files MI claims on its own behalf. We rely upon the timeliness and quality of the data you provide to file accurate and complete MI claims. Specifically, we use the 104SF and 104DC data you submit to determine the expenses we claim.

To facilitate the processing of Freddie Mac MI claims, you must take the following actions when preparing and submitting your claims.

- Submit your 104SF and 104DC claims via the Reimbursement System within the timeframes outlined in Section 71.13 of the Guide, and stated on pages 6 and 7 in this desk reference. Late filing may result in a reduction in claim proceeds and Freddie Mac, in turn, may reduce your claim in the event your submissions are late.
- Use expense code 404006 – Inspection Fees Payable by MI, to facilitate reimbursement for property inspection fees payable by the mortgage insurer.
- Ensure that your claim is accurate and complete. Missing or inaccurate information delay your reimbursement.
- Provide the correct expense codes. Refer to the Expense and Income Codes section in this desk reference and Exhibit 74, *Expense and Income Codes for Expense Reimbursement Claims*, in the Guide for a complete listing of expense and income codes. If expenses are not coded correctly, the mortgage insurance companies may ask you for more information or documentation.

Preparing and Submitting Your Claims

- Document the “from” date and “to” date for foreclosure fees and costs correctly. Refer to “Documenting Expenses and Income Credit” in this desk reference for additional information.
- Provide any requested supporting documentation to the MI company or Freddie Mac, as applicable.

If You Receive a Mortgage Insurance Premium Refund

The MI companies should send mortgage insurance premium refunds directly to Freddie Mac. However, if you receive a mortgage insurance premium refund, document the mortgage insurance premium refund using income code 815050, Mortgage Insurance Premium Refund.

If you receive the refund after you have submitted the final 104SF claim to Freddie Mac, you must send a check, referencing the Freddie Mac loan number, to us at the following address:

JP Morgan Chase Bank
131 S. Dearborn – 6th Floor
Chicago, IL 60603
Attn: Freddie Mac / 93434

Notice of Default Fee

The Notice of Default (NOD) fee on the *Servicer Non-Performing Loans Invoice* includes MI curtailments that are billable to the Servicer. Examples include, but are not limited to, expenses incurred due to untimely delays in notice of default, foreclosure completion, and acquiring the title.

To appeal the NOD fee, contact the MI company directly and provide documentation regarding the MI curtailment. Most MI companies allow 60 days to appeal the curtailment. If the MI company approves the appeal, contact Freddie Mac. When Freddie Mac receives the funds from the MI company, Freddie Mac will remove the fee from the *Servicer Non-Performing Loans Invoice* for primary workout and pool claims.

REO primary MI curtailments are not billed on the *Servicer Non-Performing Loans Invoice*. Therefore, adjustments to these curtailments will be reflected through a separate billing process.

Preparing and Preparing and Submitting Your Claims

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Documenting Expenses and Income/Credit

Documenting the Billing Period and Vendor

Ensure that you provide an accurate “from” date and “to” date to identify the billing period for all expenses. The billing period is the block of time during which the vendor rendered the service, not the date you paid the expense.

- When providing the billing period for foreclosure fees and costs, the “from” date must reflect the date foreclosure was initiated. The “to” date must reflect the acquisition date. The acquisition date is defined as either the foreclosure sale or redemption date or the date of the expiration of the redemption or confirmation, whichever occurs later, or the date the deed-in-lieu of foreclosure is accepted.
- For bankruptcy fees and costs, the “from” date must reflect the date the bankruptcy was filed. The “to” date must reflect the date the stay was lifted or the date the bankruptcy was confirmed.
- Billing periods for mortgage insurance premiums and property insurance premiums must correspond to the billing periods indicated on the policy. Freddie Mac will not reimburse insurance premiums if the billing periods you list overlap with previously paid insurance periods.
- Billing periods for taxes must reflect the tax cycle indicated by the tax authority on the tax bills. Freddie Mac will not reimburse tax expenses if the billing periods you list overlap with previously submitted billing periods.

When documenting the vendor, provide the *vendor name*, not the description of the expense (for example, XYZ Insurance Company, not insurance).

Documenting Expenses and Income/Credit

Documenting Insurance Expenses

The following table outlines when insurance premiums are reimbursable:

Type of insurance premium	When reimbursable	
	Prior to the DDLPI	After the DDLPI
Property insurance premiums	Property insurance premiums incurred and paid up to 12 months prior to the DDLPI are reimbursable.	<p>For a period up to 14 days after the final non-REO activity or up to 14 days after you receive the Property Condition Certificate (PCC) from a broker indicating the property has been inspected and is vacant.</p> <p>Note: You must take all actions required in the mortgage clause of all applicable property insurance policies including, but not limited to, providing all notices to the insurer required under such clause, in order to preserve the coverage and its maximum benefits for you and/or Freddie Mac, as mortgagee. You must cancel such policies within 14 days after the property has been inspected and is vacant, even if there is claimable damage to the property. You will be notified that the property has been inspected and is vacant via the PCC. In the event you do not receive the PCC within five business days after REO acquisition, you must check the status via REO Manager or you can call (800) FREDDIE. If the REO is located in a state in which the borrower may be permitted to redeem the property, you must wait to cancel the insurance until the redemption period has expired and you have received a PCC from the broker indicating the occupancy status.</p> <p>After the policy is cancelled, you must submit a request to the insurance company for reimbursement for the unearned portion of the insurance premium that you paid on behalf of the borrower. Include a copy of the Deed of Trust with your cancellation request.</p> <p>Refer to Section 70.16 of the Guide for additional information.</p>
Mortgage insurance premiums	Not reimbursable prior to DDLPI.	If paid after the DDLPI and before the REO acquisition date.

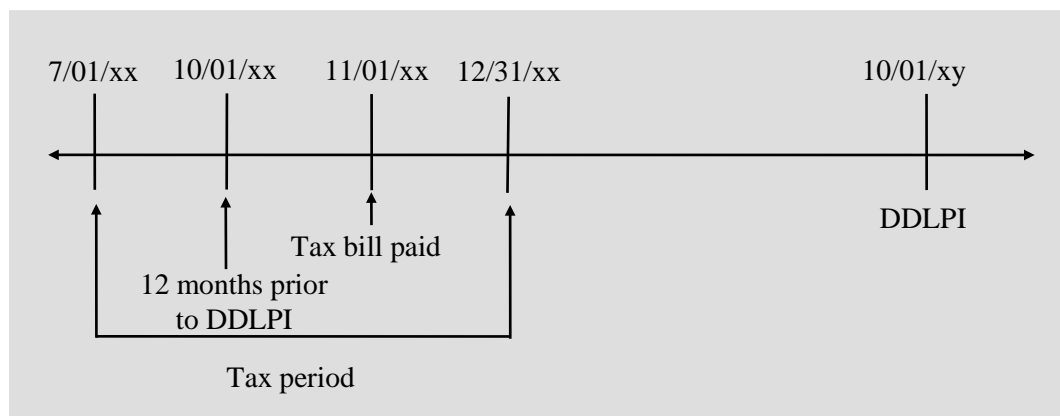
Documenting Expenses and Income/Credit

Documenting Tax Expenses

Freddie Mac will reimburse for real estate taxes incurred and paid beginning no more than 12 months prior to the DDLPI, and through the REO sale date. If 12 months prior to the DDLPI falls within a tax period, the entire tax period is reimbursable. You must contact us and obtain our written approval before making payments to taxing authorities when federal, state or local income tax liens would take priority over our first lien position.

Example

You are requesting reimbursement for real estate taxes you paid in 11/xx for a property located in California. The DDLPI is 10/01/xy. Twelve months prior to the DDLPI is 10/01/xx. Even though you paid the tax bill in 11/xx, Freddie Mac will reimburse you for the entire billing period because 12 months prior to the DDLPI (10/01/xx) falls within the 7/01/xx - 12/31/xx billing period.



Freddie Mac will not reimburse you for any late fees, penalties, or interest for late payment of taxes other than the first tax penalty incurred on a non-escrowed mortgage. The first tax penalty is the first penalty assessed for any tax, not the first penalty assessed on each type of tax. We will reimburse you for the first tax penalty on a non-escrowed mortgage only if you meet the conditions outlined in Section 59.2 of the Guide. If tax bills are paid out of cycle or paid in a lump sum, you must submit documentation from the taxing authority or tax service that verifies the breakdown of the taxes, penalties and interest.

When requesting reimbursement for taxes paid on a property with multiple parcels, combine amounts for the same expense code and same tax cycle and report as one item. Indicate the number of parcels in the Comments section.

Documenting Expenses and Income/Credit

Documenting Yard Maintenance Expenses

Follow the guidelines below to ensure that you are documenting your reimbursement request for yard maintenance expenses accurately.

- Document the number of weeks covered in the time period in the Quantity field in the Reimbursement System. Do not indicate the number of times the yard was cut in the Quantity field.
- Document the date on which the yard maintenance was performed by entering the same date in both the “from” date and “to” date” fields.
- Confirm that grass cutting is permitted year-round if requesting reimbursement for this expense between October 1 and March 31. For additional information, Refer to Guide Exhibit 57, *1-4 Unit Property Approved Expense Amounts*.

Documenting Income/Credit to Offset Expenses

- Do not offset anticipated or received mortgage insurance claim payments, property insurance claim proceeds or sales proceeds against any expenses incurred. Send Freddie Mac a check made payable to the Federal Home Loan Mortgage Corporation for funds you receive for mortgage insurance claim payments, property insurance claim proceeds, and other non-REO and REO related funds within 10 business days of receipt of those funds.
- You must provide a loan history for all loans, whether escrowed or non-escrowed, to support a zero or positive escrow balance.
- Document the positive escrow balance as of the DDLPI. Escrow disbursements for taxes and insurance must be claimed as expenses.

Documenting Similar Expense and Income/Credit Items

Report similar expense and income/credit items as different line items, even though they have the same expense code and same vendor. Do not add similar expense and income/credit items together and enter the total as one line item. However, you can combine and report expenses for code 040000 (court costs) on one line if the same vendor provided the service. Remember to indicate the number of actions or occurrences.

Documenting HOA, PUD, and Condominium Assessments

- When requesting reimbursement for homeowners’ association (HOA) or Planned Unit Development (PUD) dues, document the first month’s assessment as one line item. Combine the remaining months’ assessments and document as one line item. If the monthly assessment amount changed during the time period for which you are requesting reimbursement, document the first month the assessment changed as a separate line item and then combine the remaining months’ assessments at the new rate and report as another line item.

Documenting Expenses and Income/Credit

- When requesting reimbursement for transfer fees assessed by an HOA on the sale of an REO (not the foreclosure sale), do not combine the transfer fee expense with the monthly HOA assessment expense. Use expense code 080003 when requesting reimbursement for transfer fees assessed by an HOA.
- When monthly HOA or PUD assessments are paid to two different vendors, combine expense amounts with the same dates and report as one line item using expense code 080000.
- You must pay post-foreclosure condominium, HOA, and PUD regular assessments (dues) and special assessments from the foreclosure sale date up to the REO settlement date.
- We will reimburse you for post-foreclosure condominium, HOA, and PUD regular assessments (dues) and special assessments incurred from the foreclosure sale date through the REO settlement date. We will not reimburse you for any late fees, interest, collection expenses, or attorney fees for late payment of HOA, PUD or condominium assessments.
- If state law creates a lien priority for condominium, HOA or PUD assessments, or for leasehold estates, ground rent payments, over the mortgage lien for fees assessed before the foreclosure sale date, then we will reimburse up to a total of six months over the life of the mortgage for regular condominium, HOA or PUD assessments and ground rent payments incurred prior to the foreclosure sale date. We will not reimburse you for late fees, interest, collections expenses or attorney fees.

Nineteen states and the District of Columbia give lien priority to condominium HOA, and/or PUD assessments over a mortgage:

- | | | |
|------------------------|-----------------|-----------------|
| - Alabama | - Hawaii | - Pennsylvania |
| - Alaska | - Massachusetts | - Rhode Island |
| - Colorado | - Missouri | - Tennessee |
| - Connecticut | - Nevada | - Washington |
| - Delaware | - New Hampshire | - West Virginia |
| - District of Columbia | - New Jersey | - Wyoming |
| - Florida | - Oregon | |

Note: The list above may not reflect the current state of the law as laws affecting condominium, HOA and/or PUD lien priority change frequently. It is your organization's responsibility to know which states and jurisdictions give lien priority to condominium HOA, and/or PUD assessments over a mortgage.

Documenting Expenses and Income/Credit

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Expense and Income Codes

Expense Codes Listed by Activity Type

The following table identifies Freddie Mac's expense codes by activity type.

Activity	Expense Code	Description	Additional Requirements
Bankruptcy	011000	Trustee/Attorney Fees Bankruptcy – Chapter 7	Indicate the number of actions. Include 341 Notice.
	011009	Trustee/Attorney Fees Bankruptcy – Chapter 11	
	011010	Trustee/Attorney Fees Bankruptcy – Chapter 12	
	011011	Trustee/Attorney Fees Bankruptcy – Chapter 13	
	011012	Trustee/Attorney Fees Bankruptcy – Multi-filer Defense	None
	041000	Court Costs	
	401000	Appraisal Charge	Freddie Mac's prior written approval is required.
Foreclosure	010000	Trustee/Attorney Fees	Indicate the number of actions reported via EDR.
	010000	Trustee/Attorney Fees - Probate	None
	010000	Trustee/Attorney Fees - Contested	
	010002	Trustee/Attorney Fees – Torrens Act	Limited to applicable properties in Minnesota only.
	020000	Advertising Fees - Posting	None
	021000	Advertising Fees - Publication	
	030000	Sheriff/Auctioneer Fees	
	040000	Court Costs	
	300000	Title Work	

Expense and Income Codes

Activity	Expense Code	Description	Additional Requirements
Foreclosure	300005	Torrens Act – Costs (MN only)	Limited to applicable properties in MN only.
	400001	Appraisal Charge	Freddie Mac’s prior approval is required.
Home Affordable Modification Program (HAMP)	042001	Notary Fees	Actual cost. Reimbursement limited to expenses paid to third parties only.
	300003	Recordation Fees	Actual cost.
	300004	Title Costs, if applicable (Except with respect to title costs in connection with a foreclosure proceeding.)	Reimbursable amounts are in accordance with the limits outlined in Guide Exhibit 57A.
	400003	Home Value Explorer® (HVE)	Actual cost.
Homeowners’ Association	080000	Homeowners’ Association and PUD Fees	Refer to Section 71.18 of the Guide regarding such expense liens that could subordinate the mortgage.
	080002	Special Assessments	None
	080003	Condominium Project Documents / HOA Transfer Fee	
Insurance and Taxes	050000	Mortgage Insurance Premiums	None
	051000	FHA Insurance Premiums	
	060000	Hazard Insurance Premiums	
	061000	Flood Insurance Premiums	
	062000	Lender-placed Insurance Premiums	
	064000	Supplemental Windstorm Coverage	
	070000	County Property Taxes	
	071001	Municipal (City) Property Taxes	

Expense and Income Codes

Activity	Expense Code	Description	Additional Requirements
Insurance and Taxes	071002	Borough Property Taxes	None
	071003	Town Property Taxes	
	071004	Village Property Taxes	
	072000	School Taxes	
	073000	Sewer Charges	
	074001	Other Property Taxes	Provide a brief description of the cost in the Comments section of the claim.
	074002	Supplemental Tax	None
	074003	Transfer Tax	Freddie Mac's prior written approval is required. Refer to Section 71.24 of the Guide.
	074004	Ground Rents	None
	074005	First Tax Penalty on Non-escrowed Mortgages (must not include interest)	
076000	Ad Valorem Tax		
Liens	500000	Superior (First) Liens	Freddie Mac's prior written approval is required. Refer to Guide Section 59.1.
	501000	IRS Liens	
	502000	Other Liens	Freddie Mac's prior written approval is required. Provide a brief description of the cost in the Comments section of the claim.
Maintenance and Preservation	090001	Securing/Re-keying	One door only.
	090002	Boarding (Broken window and/or door)	Where needed as required by local ordinances. All missing windows and doors should be boarded, not repaired.
	090003	Extermination	Fumigation by a professional extermination company

Expense and Income Codes

Activity	Expense Code	Description	Additional Requirements
Maintenance and Preservation	090008	Police/Fire Report	None
	090009	Pool and Spa Securing	One time charge
	090017	Pre-foreclosure Vacant Property Registration	Initial vacant property registration and re-registration fees.
	091001	Initial Property Cleaning	Cleaning of interior to include kitchen and bathroom.
	091002	Trash Removal/Dumping Fees	Interior/exterior debris removal. Do not remove personal property.
	093000	Initial Yard Maintenance	Full yard and/or perimeter cut and trimming once per summer season*.
	093003	Pest Removal	Removal of dead vermin from property.
	094000	Yard Maintenance	(Semi-monthly) grass cutting on an on-going basis while in summer season
	095001	Winterization	One time charge during winter season**.
	095002	Dewinterization	Freddie Mac's prior written approval is required.
	191001	Other Maintenance Costs	Freddie Mac's prior written approval is required. Provide a brief description of the approved expenses on the claim.
	191003	Snow Removal	As needed in winter season**.
	404005	Exterior Property Inspection	Maximum amount for each monthly inspection completed within the foreclosure state standard timeline as listed in Guide Exhibit 83.

Expense and Income Codes

Activity	Expense Code	Description	Additional Requirements
Maintenance and Preservation	404006	Inspection Fees Payable by MI	For mortgages with primary mortgage insurance. Include all property inspection fees incurred.
	404007	Interior Property Inspection	Limited to two inspections.
Other	015000	Connectivity Fee	Reimbursable up to a maximum of \$25 per referral for the life of the default. Refer to Section 66.25 of the Guide for details on this fee.
	016000	Invoicing Fee	Reimbursable up to a maximum of \$5 to process foreclosure invoices and a maximum of \$5 to process bankruptcy invoices for the life of the default. Refer to Section 66.25 of the Guide for details on this fee.
	404001	Freddie Mac Special Inspection	Freddie Mac's prior written approval is required.
	503000	Principal Reimbursement	Attach amortization schedule and loan history to reflect the unpaid principal balance for Super Arc guaranteed loans.
Other Legal	013000	Deed-in-Lieu of Foreclosure - Attorney Fees	None
	014000	Receiver Fees	
	032000	Sheriff/Auctioneer Fees - Other Actions	
	043000	Court Costs – Other Actions	
Property Repairs	191006	Emergency Repairs	None
	191019	Fence Repair	
	200000	Roof Repair/Replacement	One time charge to tarp or repair roof.
	201000	Interior Painting	Freddie Mac's prior written approval is required.
	202000	Exterior Painting	

Expense and Income Codes

Activity	Expense Code	Description	Additional Requirements
Property Repairs	203000	Sump Pump/HVAC Repair/Replacement	Servicing and restart
	204000	Flooring Repair	Freddie Mac's prior written approval is required.
	205000	Appliance Repair/Replacement	
	206000	Other Repairs	Freddie Mac's prior written approval is required. Provide a brief description of the approved expenses on the claim.
	207000	Other Replacements	
Utilities	100000	Electric	None
	101000	Gas	
	102000	Oil	
	103000	Water	
	105000	Other Utilities	Freddie Mac's prior written approval is required. Provide a brief description of the approved expenses on the claim.

*Summer season dates are April 1st through September 30th.

**Winter season dates are October 1st through March 31st.

Grass cutting is permitted year-round in the following states:

- Alabama
- Arizona
- Arkansas
- California
- Florida
- Georgia
- Guam
- Hawaii
- Kansas
- Louisiana
- Mississippi
- New Mexico
- Nevada
- Oklahoma
- Puerto Rico
- South Carolina
- Texas
- Virgin Islands

Expense and Income Codes

Winterization is permitted year-round in the following states regardless of the month during which the property is secured:

- Alaska
- Connecticut
- Iowa
- Illinois
- Indiana
- Maine
- Massachusetts
- Michigan
- Minnesota
- Montana
- North Dakota
- Nebraska
- New Hampshire
- New York
- Ohio
- Pennsylvania
- Rhode Island
- South Dakota
- Vermont
- Wisconsin

Expense and Income Codes

Income Codes Listed by Activity Type

The following table identifies Freddie Mac's income codes by activity type.

Activity	Income Code	Description	Additional Requirements
Escrow	811000	Escrow Balance at DDLPI (positive)	None
Insurance Refunds	815060	Property Insurance Premium Refund	None
	815061	Flood Insurance Premium Refund	
	815062	Lender-placed Insurance Premium Refund	
Interest on Escrow	815065	Interest on Escrow	None
Other	815000	Other Income (Income received after DDLPI)	Provide a brief description of the item in the Comments section of the claim.
	815050	Mortgage Insurance Premium Refund	None
Rental Income	814000	Rental Income	None
Rental/Subsidy Buydown	812000	Subsidy Fund (buydown account)	None
Tax Refunds	815070	County Tax Refund	None
	815071	Municipal, Borough, Town, Village Tax Refund	
	815072	School Tax Refund	
	815073	Sewer Tax Refund	
	815074	Supplemental Tax Refund	

Expense and Income Codes

Expense Codes Listed in Alphabetical Order

The following table identifies Freddie Mac's expense codes in alphabetical order.

Expense Code	Description
076000	Ad Valorem Tax
020000	Advertising Fees - Posting
021000	Advertising Fees - Publication
205000	Appliance Repair/Replacement
401000	Appraisal Charge - Bankruptcy
400001	Appraisal Charge - Foreclosure
090002	Boarding (Broken window and/or door)
071002	Borough Property Taxes
080003	Condominium Project Documents/HOA Transfer Fees
015000	Connectivity Fee
070000	County Property Taxes
041000	Court Costs - Bankruptcy
040000	Court Costs - Foreclosure
043000	Court Costs - Other Actions - Other Legal
013000	Deed-in-Lieu of Foreclosure - Attorney Fees
095002	Dewinterization
100000	Electric
191006	Emergency Repairs
202000	Exterior Painting
404005	Exterior Property Inspection
090003	Extermination

Expense and Income Codes

Expense Code	Description
191019	Fence Repair
051000	FHA Insurance Premiums
074005	First Tax Penalty on Non-escrowed Mortgages (must not include interest)
061000	Flood Insurance Premiums
204000	Flooring Repair
404001	Freddie Mac Special Inspection
101000	Gas
074004	Ground Rents
080000	Homeowners' Association Fees (Condo, Coops, PUDs)
400003	Home Value Explorer [®] (HVE) (HAMP)
091001	Initial Property Cleaning
093000	Initial Yard Maintenance
404006	Inspection Fees Payable by MI
201000	Interior Painting
404007	Interior Property Inspection
016000	Invoicing Fee
501000	IRS Liens
062000	Lender-placed Insurance Premiums
050000	Mortgage Insurance Premiums
071001	Municipal Property Taxes
042001	Notary Fees (HAMP)

Expense and Income Codes

Expense Code	Description
102000	Oil
102000	Oil Receiver Fees
502000	Other Liens
191001	Other Maintenance
074001	Other Property Taxes
206000	Other Repairs
207000	Other Replacements
105000	Other Utilities
093003	Pest Removal
090008	Police/Fire Report
090009	Pool and Spa Securing
090017	Pre-foreclosure Vacant Property Registration
503000	Principal Reimbursement
404005	Property Inspection
060000	Property Insurance Premiums
014000	Receiver Fees
300003	Recordation Fees (HAMP)
090001	Re-keying
200000	Roof Repair/Replacement
072000	School Taxes
090001	Securing
073000	Sewer Charges

Expense and Income Codes

Expense Code	Description
030000	Sheriff/Auctioneer Fees - Foreclosure
032000	Sheriff/Auctioneer Fees - Other Actions
191003	Snow Removal
080002	Special Assessments
203000	Sump Pump/HVAC Repair/Replacement
500000	Superior (First) Liens
074002	Supplemental Tax
064000	Supplemental Windstorm Coverage
300004	Title Costs (HAMP)
300000	Title Work
300005	Torrens Act – Costs (Minnesota only)
071003	Town Property Taxes
074003	Transfer Tax
091002	Trash Removal/Dumping Fee
011000	Trustee/Attorney Fees – Bankruptcy Chapter 7
011009	Trustee/Attorney Fees – Bankruptcy Chapter 11
011010	Trustee/Attorney Fees – Bankruptcy Chapter 12
011011	Trustee/Attorney Fees – Bankruptcy Chapter 13
011012	Trustee/Attorney Fees – Multi-filer Defense
010000	Trustee/Attorney Fees - Contested Foreclosure
010000	Trustee/Attorney Fees - Foreclosure
010000	Trustee/Attorney Fees - Probate
010002	Trustee/Attorney Fees – Torrens Act (Minnesota only)

Expense and Income Codes

Expense Code	Description
071004	Village Property Taxes
103000	Water
095001	Winterization
094000	Yard Maintenance

Expense and Income Codes

Income Codes Listed in Alphabetical Order

The following table identifies Freddie Mac's income codes in alphabetical order.

Income Code	Description
815071	Borough Tax Refund
815070	County Tax Refund
811000	Escrow Balance at DDLPI (positive)
815061	Flood Insurance Premium Refund
815062	Lender-placed Insurance Premium Refund
815065	Interest on Escrow
815050	Mortgage Insurance Premium Refund
815071	Municipal Tax Refund
815000	Other Income (Income received after DDLPI)
815060	Property Insurance Premium Refund
814000	Rental Income
815072	School Tax Refund
815073	Sewer Tax Refund
812000	Subsidy Fund (buydown account)
815074	Supplemental Tax Refund
815071	Town Tax Refund
815071	Village Tax Refund

1- 4 Unit Property Approved Expense Amounts

Property Preservation and Maintenance Expense Limits for Abandoned Properties

The following table outlines Freddie Mac's approved limits for property preservation and maintenance expenses. You must submit a request for pre-approval (RPA) via the Reimbursement System to request our approval for fees and costs that exceed our property preservation and maintenance expense limits. If you fail to obtain our prior written approval for expenses that exceed our limits, we may adjust your claim amount.

Item	Code	Maximum Allowable Expense
Securing/Re-keying (One door only) Contact us at overallowables@FreddieMac.com if the property has more than one unit.	090001	\$200
Boarding (Broken window and/or door) Where needed as required by local ordinances. All missing windows and doors should be boarded, not repaired.	090002	\$1,200
Extermination Fumigation by a professional extermination company.	090003	\$350
Police/Fire Report	090008	\$150
Pre-foreclosure Vacant Property Registration Initial vacant property registration and re- registration fees and costs.	090017	\$175
Initial Property Cleaning Cleaning of interior to include kitchen and bathroom.	091001	\$400
Trash Removal/Dumping Fee Interior/exterior debris removal. Do not remove personal property.	091002	\$900
Initial Yard Maintenance Full yard and/or perimeter cut and trimming once per summer season*.	093000	\$500

1 - 4 Unit Property Approved Expense Amounts

Item	Code	Maximum Allowable Expense
Pest Removal Removal of dead vermin from property.	093003	\$75
Yard Maintenance Semi-monthly grass cutting during the summer season*.	094000	\$200
Winterization One time charge during the winter season**.	095001	\$250
Pool and Spa Securing	090009	\$1,600
Utilities: Electric Gas Oil Water Other Utilities	100000 101000 102000 103000 105000	<p>Actual paid amount, excluding interest and penalties. Prior approval is not required for the reimbursement of necessary utility expenses incurred from the due date of the last paid installment (DDLPI) to the date you receive the Property Condition Certificate (PCC) as outlined in Sections 66.36 and 67.28 of the <i>Single-Family Seller/Service Guide</i> (Guide).</p> <p>Utilities will only be reimbursed in the case of abandoned properties when it is necessary to incur the cost of utilities to protect the property from waste, damage, and vandalism.</p>
Snow Removal As needed during winter season**.	191003	\$75

1 - 4 Unit Property Approved Expense Amounts

Item	Code	Maximum Allowable Expense
Emergency Repairs	191006	\$600
Fence Repair	191019	\$300
Roof Repair/Replacement One time charge to tarp or repair roof.	200000	\$1,000
Sump Pump/HVAC Repair/Replacement Servicing and restart as needed.	203000	\$350
Interior Property Inspection Maximum amount for each inspection. Limited to two inspections.	404007	\$20 ⁺

⁺Property inspections must be conducted on the schedule set forth in Section 65.33 of the Guide. The maximum number of property inspections that are reimbursable will be limited to the total number of monthly inspections that can be completed within the state standard foreclosure time lines set forth in Guide Exhibit 83, *Freddie Mac State Foreclosure Time Lines – In Calendar Days*, regardless of any exception Freddie Mac provides to exceed the state standard foreclosure time lines. If a mortgage has mortgage insurance, we will reimburse you for the inspection fees paid by the mortgage insurer via expense code 404006, Inspection Fees Payable by MI.

You must preserve and maintain properties in accordance with the requirements set forth in Chapters 66, 67, and 70 of the Guide. You will be reimbursed for the actual costs up to the maximum amounts shown above. You must obtain written pre-approval from us via the Reimbursement System before incurring any expense in excess of any of the expense limits. As outlined in Section B65.50 of the Guide, you must not incur property preservation expenses on low balance mortgages without Freddie Mac's prior approval. To request approval, submit an RPA via the Reimbursement System.

*Summer season dates are April 1 through September 30.

**Winter season dates are October 1 through March 31.

Grass cutting is permitted year-round in the following states:

- Alabama
- Arizona
- Arkansas
- California
- Florida
- Georgia
- Guam
- Hawaii
- Kansas
- Louisiana
- Mississippi
- New Mexico
- Nevada
- Oklahoma
- Puerto Rico
- South Carolina
- Texas
- Virgin Islands

1 - 4 Unit Property Approved Expense Amounts

Winterization is permitted year-round in the following states regardless of the month during which the property is secured:

- Alaska
- Connecticut
- Iowa
- Illinois
- Indiana
- Maine
- Massachusetts
- Michigan
- Minnesota
- Montana
- North Dakota
- Nebraska
- New Hampshire
- New York
- Ohio
- Pennsylvania
- Rhode Island
- South Dakota
- Vermont
- Wisconsin

Miscellaneous Expense Limits

The following table outlines Freddie Mac's approved limits for miscellaneous expenses. You must request our prior written approval for fees and costs that exceed the following expense limits. If you fail to obtain our prior written approval, we may adjust your expense reimbursement amount.

Item	Code	Maximum Allowable Expense
Connectivity Fee Reimbursable up to a maximum of \$25 per referral for the life of the default. Refer to Section 66.25 of the Guide for details on this fee.	015000	\$25
Invoicing Fee Reimbursable up to a maximum of \$5 to process foreclosure invoices and an additional maximum of \$5 to process bankruptcy invoices for the life of the default. Refer to Section 66.25 of the Guide for details on this fee.	016000	\$10
Foreclosure Advertising Fees – Posting California only.	020000	\$60
Foreclosure Advertising Fees – Publication California only.	021000	\$210
Exterior Property Inspection Maximum amount for each monthly inspection.	404005	\$10 ⁺

⁺Property inspections must be conducted on the schedule set forth in Section 65.33 of the Guide. The maximum number of property inspections that are reimbursable will be limited to the total number of monthly inspections that can be completed within the state standard foreclosure time lines set forth in Guide Exhibit 83, *Freddie Mac State Foreclosure Time Lines – In Calendar Days*, regardless of any exception Freddie Mac provides to exceed the state standard foreclosure time lines. If a mortgage has mortgage insurance, we will reimburse you for the inspection fees paid by the mortgage insurer via expense code 404006, Inspection Fees Payable by MI.

1 - 4 Unit Property Approved Expense Amounts

Attorney Fees and Title Work Expense Limits

The following table outlines Freddie Mac's approved expense limits for attorney fees and costs, and title work. Unless you use one of our designated counsel or trustee firms, you must request our prior approval for attorney fees and costs that exceed our limits. If you fail to obtain our prior written approval for expenses that exceed our limits, we may adjust your expense reimbursement amount.

Attorney Fees*				Title Work*
State	Judicial Foreclosure Attorney Fee Code 010000	Trustee/ Non-judicial Foreclosure Attorney Fee Code 010000	Deed-in-Lieu Attorney Fee Code 013000	Expense Limits Code 300000
Alabama**	----	\$600	\$350	\$250
Alaska*,**	----	\$1,200	\$350	TSG
Arizona*,***	----	\$650	\$350	TSG
Arkansas**	----	\$650	\$350	\$250
California***	----	\$650	\$350	\$350 FOR LIMITED TSG
Colorado**	----	\$850	\$350	TSG
Connecticut***	\$1,450	----	\$350	\$250
Delaware	\$1,000	----	\$350	\$200
District of Columbia**,***	----	\$800	\$350	\$200
Florida***	\$1,200	----	\$350	\$325
Georgia**,***	----	\$650	\$350	\$300
Guam**	----	\$1,200	\$350	\$200
Hawaii**	\$2,500	----	\$350	\$300

1 - 4 Unit Property Approved Expense Amounts

Attorney Fees*				Title Work*
State	Judicial Foreclosure Attorney Fee Code 010000	Trustee/ Non-judicial Foreclosure Attorney Fee Code 010000	Deed-in-Lieu Attorney Fee Code 013000	Expense Limits Code 300000
Idaho*,**	----	\$600	\$350	TSG
Illinois***	\$1,200	----	\$350	\$275
Indiana***	\$1,100	----	\$350	\$325
Iowa	\$900	----	\$350	\$500
Kansas	\$900	----	\$350	\$250
Kentucky	\$1,100	----	\$350	\$300
Louisiana	\$1,100	----	\$350	\$250
Maine	\$1,500	----	\$350	\$200
Maryland**,***	----	\$1,000	\$350	\$200
Massachusetts**,***	----	\$1,300	\$350	\$350
Michigan**,***	----	\$650	\$350	\$325
Minnesota** The approved attorney fee for Torrens Act (expense code 010002) is \$500.	----	\$650	\$350	\$200
Mississippi**	----	\$600	\$350	\$200
Missouri**	----	\$650	\$350	\$200
Montana*,**	----	\$700	\$350	TSG
Nebraska ⁺	\$900	\$500	\$350	\$275

1 - 4 Unit Property Approved Expense Amounts

Attorney Fees*				Title Work*
State	Judicial Foreclosure Attorney Fee	Trustee/ Non-judicial Foreclosure Attorney Fee	Deed-in-Lieu Attorney Fee	Expense Limits
	Code 010000	Code 010000	Code 013000	Code 300000
Nevada*,***	----	\$650	\$350	TSG
New Hampshire**	----	\$900	\$350	\$225
New Jersey***	\$1,300	----	\$350	\$350
New Mexico	\$900	----	\$350	\$400
New York***	\$1,200	----	\$350	\$435
New York City***	\$1,600	----	\$350	\$485
North Carolina**,***	----	\$900	\$350	\$300
North Dakota	\$900	----	\$350	\$300
Ohio***	\$1,200	----	\$350	\$350
Oklahoma	\$900	----	\$350	\$400
Oregon*	\$1,200	\$700	\$350	TSG
Pennsylvania***	\$1,300	----	\$350	\$325
Puerto Rico	\$1,200	----	\$350	\$150
Rhode Island**	----	\$900	\$350	\$225
South Carolina***	\$1,000	----	\$350	\$300
South Dakota	\$900	----	\$350	\$350
Tennessee**	----	\$650	\$350	\$250

1 - 4 Unit Property Approved Expense Amounts

Attorney Fees*				Title Work*
State	Judicial Foreclosure Attorney Fee Code 010000	Trustee/ Non-judicial Foreclosure Attorney Fee Code 010000	Deed-in-Lieu Attorney Fee Code 013000	Expense Limits Code 300000
Texas**,***	----	\$650	\$350	\$180
Utah	----	\$650	\$350	\$350
Vermont ⁺⁺	\$1,300	\$700	\$350	\$200
Virgin Islands	\$900	----	\$350	\$350
Virginia**,***	----	\$650	\$350	\$200
Washington*,***	----	\$650	\$350	TSG
West Virginia**,***	----	\$600	\$350	\$450
Wisconsin ⁺	\$1,200	----	\$350	\$325
Wyoming*,**	----	\$700	\$350	TSG

*Refer to Guide Section 71.24, Non-reimbursable Expenses.

Trustee Sale Guaranty (TSG): Freddie Mac will reimburse for the actual full or limited TSG policy if the mortgaged premises goes to foreclosure sale. Freddie Mac will not reimburse for any additional title abstract or commitment. If you must get an update to the title because the original is stale due to bankruptcy delay, Freddie Mac will reimburse you up to \$75 for the update. You must contact Freddie Mac for written pre-approval for an update if the title becomes stale for any other reason.

**In these states, if you have to re-start a new foreclosure proceeding due to a delay in the process, such as bankruptcy or a delay for which you have secured our prior written approval, we will reimburse you as follows:

- All of the actual costs of each foreclosure in accordance with the requirements of the Guide.
- Up to 100 percent of the approved attorney or trustee's fees for the first foreclosure attempt.
- Up to 70 percent of the approved attorney or trustee's fees for the subsequent foreclosure.

***You must use Freddie Mac's designated counsel/trustee in accordance with Sections 66.15 and 67.15 of the Guide. (Per Section 71.19, attorney fees set forth in this exhibit do not apply to referrals handled by designated counsel/trustees. For designated counsel/trustees, we will reimburse you for the amount you submit via the 104DC claim.)

You must obtain Freddie Mac's prior written approval before you incur any expense in excess of any of the expense amounts.

⁺This expense limit for title work includes \$75 to cover the additional title update the State requires during the foreclosure process.

⁺⁺The higher attorney fee listed is for cases where there is equity in the property, thus requiring a foreclosure by judicial sale.

1 - 4 Unit Property Approved Expense Amounts

Bankruptcy Expense Limits

The following table outlines Freddie Mac's approved bankruptcy expense limits. If a case converts, we will reimburse you for up to the allowable legal fee for each of the chapters filed.

Bankruptcy Expense	Allowable Fee
Chapter 7	\$550
Chapters 11, 12, and 13	<ul style="list-style-type: none">▪ \$600 through confirmation of the plan▪ \$400 for post plan confirmation default, if applicable
Multi-filer defense +++	\$400

+++If a borrower is a multiple bankruptcy filer and petitions the court to extend the automatic stay, we will reimburse you up to \$400 to file an objection to an extension of the automatic stay and attend the related court hearings. If the objection to an extension of the stay is denied and you must then handle protecting our interests in the bankruptcy proceeding, we will additionally reimburse you for the applicable bankruptcy fee, up to the allowable limit, for the chapter of bankruptcy filed.

Requesting Pre-Approval to Exceed Freddie Mac's Expense Limits

- To submit a request to exceed our expense limits, submit an RPA via the Reimbursement System.
- Unless you use one of our designated counsel or trustee firms, you must obtain our prior approval for legal fees and costs that exceed our limits. You must also obtain our prior approval for fees and costs that exceed our property preservation and maintenance expense limits.
- Obtain our approval for fees and costs that exceed our expense limits **before** you incur the cost. We may not reimburse fees and costs that exceed our approved limits if you request approval after you have incurred the cost.
- When documenting your request, be sure to identify any fees or costs that you have already incurred for the expense code, as we need to consider the total amount that may be incurred for the expense.
- Expenses that do not exceed our approved limits in Exhibits 57 and 57A of the Guide do not require our approval.

1 - 4 Unit Property Approved Expense Amounts

How to Route Your Requests for Pre-Approval (RPAs)

Refer to the following table to ensure that you route your RPAs appropriately.

Type of Request or Inquiry	How to Route
<p>Requests for prior approval to incur expenses for properties in a status other than REO, including, but not limited to the following:</p> <ul style="list-style-type: none"> ▪ Request for approval to incur an expense that requires Freddie Mac’s prior approval ▪ Request for prior approval to exceed the expense limits outlined in Exhibits 57 and 57A of the Guide ▪ Notification that you have incurred property preservation costs in an emergency situation to protect Freddie Mac’s interest (Refer to Section 71.17 in the Guide for additional information.) ▪ Property registration fees incurred prior to the foreclosure sale ▪ Requests for approval to exceed foreclosure expense limits, including attorney fees (<i>Note: Even if the property is in an REO status, you must still route this type of request to “Non-REO” in the Reimbursement System.</i>) <p><i>Note: Do not submit an RPA requesting pre-approval of insurance premiums that are not within the parameters of our Guide requirements, as Freddie Mac will deny the request.</i></p> <p><i>Examples include, but are not limited to the following:</i></p> <ul style="list-style-type: none"> ▪ <i>Mortgage insurance premiums incurred prior to the DDLPI or after REO acquisition</i> ▪ <i>Property insurance premiums, including primary and secondary coverage (such as windstorm), incurred more than 12 months prior to the DDLPI or more than 14 days after you receive the Property Condition Certification (PCC) from the broker</i> 	<p>Select “Non-REO” from the Sub Type field drop-down list on the Bill Header in the Reimbursement System.</p>

1 - 4 Unit Property Approved Expense Amounts

Type of Request or Inquiry	How to Route
<p>Requests for prior approval to incur expenses for properties during the REO holding period, including, but not limited to the following:</p> <ul style="list-style-type: none">▪ Utilities▪ HOA payments for annual or quarterly dues that extend beyond the REO settlement date.▪ Delinquent taxes▪ Violation or lien notices▪ Special assessments▪ HOA transfer fees	<p>Select “REO” from the Sub Type field drop-down list on the Bill Header in the Reimbursement System.</p>

1 - 4 Unit Property Approved Expense Amounts

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104DC Claims

104DC Claims

When you use our designated counsel and trustees, you pay them directly for foreclosure and bankruptcy expenses and advances for services to be performed, and do not need our prior approval for foreclosure fees and costs that exceed the limits outlined in Exhibit 57 of the Guide.

Submit 104DC claims via the Reimbursement System to request reimbursement for the foreclosure and bankruptcy costs you incurred and paid to our designated counsel and trustees. Our designated counsel and trustees will prepare a 104DC claim that will be ready for your submission through the Reimbursement System. Verify the data before you submit the 104DC claim to us. Do not request reimbursement of foreclosure or bankruptcy legal fees or costs incurred and paid to our designated counsel and trustees via a 104SF claim.

Our designated counsel and trustees will retain all supporting documentation for the services they provide. If we need any additional information, we will contact our designated counsel or trustees directly.

For step-by-step instructions on how to submit 104DC claims after designated counsel has generated them, refer to the *Freddie Mac Reimbursement System User's Guide*.

For a complete listing of our designated counsel and trustees refer to Exhibit 79, *Designated Counsel/Trustee*, available on our website at http://www.freddiemac.com/service/msp/desig_counsel.html.

When to Submit 104DC Claims

For REO expenses, submit your 104DC claim so that we receive it within 45 calendar days of the acquisition date. This extended submission timeframe is a temporary requirement and is in effect until further notice as announced in Guide Bulletin 2009-11. The acquisition date is defined as either the foreclosure sale or redemption date or the date of the expiration of the redemption period and/or confirmation/ratification date, whichever occurs later, or the date the deed-in-lieu of foreclosure is accepted.

For non-REO expenses, submit your 104DC claim so that we receive it within 45 calendar days of the completion of the non-REO workout activity or event. This extended submission timeframe is a temporary requirement and is in effect until further notice as announced in Guide Bulletin 2009-11.

104DC Claims

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Expense Reimbursement Audits

Periodically, we select a random sampling of the claims you submitted and perform a more extensive audit to ensure compliance with our expense reimbursement requirements. You will be notified of any audit requests via the Reimbursement System and must respond within seven business days by submitting the standard supporting documentation.

If you do not respond within seven business days or your claim does not comply with our established guidelines, we may further adjust your expense reimbursement amount. We will notify you of the results of the audit.

The results of the audit may indicate that:

- Adjustments were required which resulted in additional funds due to you. We will remit the funds to you within 30 calendar days of the date we notify you of the audit findings.
- An expense was not eligible for reimbursement, in which case we will:
 - Provide you with an explanation of the audit findings.
 - Release the claim back to you or adjust the claim based on the audit findings.

If an expense that we previously reimbursed was not eligible for reimbursement, we will bill you for the amounts due back to us. These amounts due will display as a separate line item, 104 Expense, on your *Servicer Non-Performing Loans Invoice*.

- The claim is in compliance with our expense reimbursement requirements.

Expense Reimbursement Audits

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Non-reimbursable Expenses

List of Non-reimbursable Expenses

The Non-reimbursable Items section in the Reimbursement System allows you to document expenses you incurred that Freddie Mac identifies as non-reimbursable. If your internal accounting practices require that you report all incurred expenses, you may report the non-reimbursable expenses in the Non-reimbursable Items section of the Reimbursement System.

Non-reimbursable Expense	Exception(s)
Additional fees for preparing a foreclosure deed	None – the cost for any additional fees has already been included in the attorney fees listed in Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i> , in the Guide.
Appraisals	The appraisal is approved or requested by Freddie Mac.
Attorney costs incurred for <ul style="list-style-type: none"> ▪ Curing a delinquency ▪ Document preparation ▪ Word processing 	None
Attorney fees that result from correction of matters that you should have resolved prior to the foreclosure sale	None
Credit reports for rejected workouts	None
Documentary stamp taxes/transfer taxes/excise taxes on real property conveyance	You have received Freddie Mac’s prior approval to pay the taxes prior to the foreclosure sale.
Facsimile transmission (fax) charges	None
Flood insurance premiums paid after REO acquisition	<ul style="list-style-type: none"> ▪ The property is occupied, or ▪ There is an outstanding hazard insurance claim, or ▪ Freddie Mac has requested in writing that the insurance be maintained.

Non-reimbursable Expenses

Non-reimbursable Expense	Exception(s)
Property insurance premiums if the premiums were paid on the property after it became REO	<ul style="list-style-type: none"> ▪ Freddie Mac will reimburse for a period up to 14 days after the final non-REO activity or up to 14 days after you receive the Property Condition Certificate (PCC) from a broker indicating the property has been inspected and is vacant. ▪ The property is occupied. ▪ Freddie Mac has requested in writing that the insurance be maintained.
In-house counsel time when the reimbursable matter is handled by in-house counsel	None
Interest, penalties, late charges, or legal fees imposed for late payment of taxes and HOA dues	Freddie Mac will reimburse you for the first tax penalty incurred on a non-escrowed mortgage if you have complied with the requirements outlined in Section 59.2 of the Guide. Freddie Mac will not reimburse you for the interest or other charges accrued on delinquent taxes.
Legal costs incurred for contested foreclosures or other actions	You have received Freddie Mac's written approval prior to incurring the expense.
Long distance telephone calls	None
Mailgram charges	None
Mileage or travel costs	None
Mortgage credit life insurance premiums	None
Negative escrow balance at default or other charges outstanding prior to default	None
New case start-up fees	None
Notary public services performed by you or the attorney	None
Photocopy costs	None
Photographs	None
Regular postage	None
Title insurance policies	Policies are approved or requested by Freddie Mac. Refer to Exhibit 57A, <i>Approved Attorney Fees and Title Expenses</i> , in the Guide.