

This quick reference provides information on the following topics regarding requesting reimbursement for expenses related to default management:

- How to submit your expense reimbursement claim requests
- When to submit your expense reimbursement requests for REO and non-REO activity
- How to check the status of your expense reimbursement requests
- How to address common adjustment codes
- How to facilitate the processing of your mortgage insurance (MI) claims for Freddie Mac loans

Please note that this quick reference does not reflect all of the requirements you must adhere to when requesting reimbursement for expenses for Freddie Mac loans. For additional information refer to Chapter 71 in the *Single-Family Seller/Servicer Guide* (the Guide), our *Expense Reimbursement Desk Reference*, or attend our recorded webinar, [Using Form 104SF](#).

If you have questions about the expense reimbursement process, contact (800) FREDDIE or send an e-mail to 104_Expense@FreddieMac.com.

How to Submit Your Expense Reimbursement Claim Requests

You must submit most Form 104SF, *Statement of Loan, Workout, and REO Expenses and Income*, and Form 104DC, *Designated Counsel/Trustee*, expense reimbursement requests via the Online Reimbursement System with exception of the following, which must be submitted via the paper form:

- Expense reimbursement requests for FHA, VA, and RHS mortgages
- Resubmissions for expenses we adjusted or denied on a previous claim
- Expense reimbursement requests for mortgages secured by properties sold to a third party for less than total debt

You must also submit Form 104SF credit transactions (transactions where income reported exceeds expenses requested) through the Online Reimbursement System.

To obtain a User ID and password for the Online Reimbursement System, complete and submit the [Online Reimbursement Sign Up Form](#) available on FreddieMac.com.

You should receive payment in approximately two to three weeks after you submit your expense reimbursement request.

When to Submit Your Expense Reimbursement Claim Requests

Reimbursement requests for REO and non-REO expenses have different submission types and timeframes. The tables on the following pages outline the various submission types and their timeframes. Failure to adhere to the submission timeframes may cause your expense reimbursement request to be denied.

We recommend that you use the *Eligible 104 Forms* report available in Expense ManagerSM in conjunction with your internal tracking systems to ensure that your expense reimbursement claim requests are submitted in accordance with Freddie Mac's requirements. The *Eligible 104 Forms* report identifies upcoming submission deadlines for your expense reimbursement requests.

Non-REO Expenses

Use the following table to determine when you must submit Form 104SF to request reimbursement for non-REO expenses.

Expense Type	Submission Type	Submission Timeframe
Expenses you incurred for the non-REO activity	Final	<p>So that we receive it within 45 calendar days after the completion of the non-REO workout activity or event.</p> <p>This extended submission timeframe is a temporary requirement and is in effect until further notice as announced in Single-Family Seller/Service Guide Bulletin 2009-11.</p>
An expense omitted from the final Form 104SF; 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 submission (i.e., expense adjustments you are correcting or contesting)		<p>So that we receive it within 10 calendar days of the final Form 104SF due date.</p> <ul style="list-style-type: none"> ▪ Must be submitted via the paper Form 104SF. Cannot submit via the Online Reimbursement System. ▪ Document only the expenses that were previously denied on the Form 104SF. Remember to include supporting documentation. ▪ Resubmission does not guarantee payment.

REO Expenses

Use the following table to determine when you must submit Form 104SF to request reimbursement for REO expenses.

Expense Type	Submission Type	Submission 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 <i>Single-Family Seller/Service Guide Bulletin 2009-11</i>.</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 submission (i.e., expense adjustments you are correcting or contesting)	Supplemental	<p>So that we receive it within 10 calendar days of the initial Form 104SF due date.</p> <ul style="list-style-type: none"> ▪ Must be submitted via the paper Form 104SF. Cannot submit via the Online Reimbursement System. ▪ Document only the expenses that were previously denied on the Form 104SF. Remember to include supporting documentation. ▪ Resubmission does not guarantee payment.
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>

Check the Status of Your Expense Reimbursement Claim Requests

The following table outlines how you can check the status of your 104SF and 104DC expense reimbursement claim requests.

To	Take the following actions:	
Identify all expense reimbursement claim requests that you have entered and saved in the Online Reimbursement System, but have not yet transmitted to us	View the <i>104SF Claims in Process</i> report available in the Online Reimbursement System. We recommend that you review this report on a weekly basis to ensure that your 104SF expense reimbursement requests are transmitted to us in a timely manner. This report also identifies duplicate requests that you have entered. Send an e-mail to 104_Expense@FreddieMac.com to delete duplicate requests.	
Determine the status of your expense reimbursement claims submitted via the paper forms or the Online Reimbursement System	View the <i>Status Overview Report</i> available in Expense Manager. This report provides a breakdown, by process status, of your expense reimbursement claim requests. Within each process status, you can link to detailed information on the status of your expense reimbursement requests. See below for additional information on process statuses and claim statuses.	
Determine if a check was issued for an expense reimbursement claim	Access the <i>Status Overview Report</i> available in Expense Manager and review your expense reimbursement requests that have a status of "completed."	
	If a check	Then
	Was issued but you have not yet received it	We require that the check be at least 30 days old before a stop payment can be issued.
Was not issued	Send an e-mail to 104_Expense@FreddieMac.com .	

If you do not have access to Expense Manager, send an e-mail to 104_Expense@FreddieMac.com to determine the status of your expense reimbursement claim request.

Process Statuses

The following table identifies each process status and its description.

Process Status	Description
Pending	Your expense reimbursement request has been received and is awaiting processing.
Pending Review	Your expense reimbursement request has been partially processed and is pending review.
Completed	Your expense reimbursement request has completed processing.

Expense Reimbursement Claim Statuses

The following table identifies each claim status and its description.

Claim Status	Description
Entered	Your expense reimbursement request (Form 104SF or Form 104DC) has been received.
Referred	Your expense reimbursement request has been referred for evaluation.
Research	Your expense reimbursement request is being researched.
Held	Your expense reimbursement request is on hold pending updated vendor information.
Completed	Your expense reimbursement request has completed processing and a check or non-payment advice has been issued.

Adjustment Codes

The following table identifies some common adjustment codes that you may receive, the reason for the adjustment, and how to resolve them.

Adjustment Code	Adjustment Reason	How to Resolve
03	This expense or income/credit was previously submitted and paid by Freddie Mac.	Check current and historical expense reimbursement requests for the same time period or a portion of the same time period for the same expense code. Review, correct, and resubmit, if necessary.
19	This expense amount exceeds Freddie Mac's generally approved limits.	Obtain our approval for fees and costs that exceed our expense limits before you incur the cost. To obtain Freddie Mac's prior approval, send an e-mail to Overallowables@FreddieMac.com . A request to exceed our expense limits does not guarantee approval. Refer to Exhibits 57, <i>1-4 Unit Property Approved Expense Amounts</i> , and 57A, <i>Approved Attorney Fees and Title Expenses</i> , in the <i>Single-Family Seller/Service Guide</i> .

Adjustment Code	Adjustment Reason	How to Resolve
23	Your expense dates appear to be incorrect. Please resubmit your request within 10 business days with the supporting documents and the correct dates, if applicable.	<p>Bankruptcy and Foreclosure Expenses</p> <p>If you receive this adjustment code for bankruptcy-related fees and costs, ensure that the “From” date reflects the date the bankruptcy was filed and the “To” date reflects the date the bankruptcy was confirmed.</p> <p>For foreclosure fees and costs, the “From” date must reflect the foreclosure referral date and the “To” date must reflect the foreclosure sale date.</p> <p>Note that the “From” and “To” dates may reflect a date range, or a day that falls within the ranges noted above.</p> <p>Hazard Insurance</p> <p>Hazard insurance is prorated and reimbursed from the due date of the last paid installment (DDLPI) for a period up to 14 days after the final non-REO activity or upon REO acquisition of the property (or the end of the redemption period, if applicable).</p> <p>You must cancel the policy 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 Property Condition Certificate (PCC). In the event you do not receive the PCC within five business days after 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 verified that the property has been inspected and is vacant.</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>For additional information on property insurance, see Section 70.16 in the <i>Single-Family Seller/Servicer Guide</i>.</p> <p>Review, correct, and resubmit your request.</p>

Refer to Exhibit 75, *Adjustment Codes for Form 104SF and 104DC*, in the *Single-Family Seller/Servicer Guide* for a complete list of adjustment codes.

Mortgage Insurance Claims

Freddie Mac files mortgage insurance (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 Form 104SF and Form 104DC data you submit to determine the expenses we claim.

To facilitate the processing of your Freddie Mac MI claims, take the following actions when preparing and submitting your expense reimbursement requests:

- Submit Form 104SF and Form 104DC in a timely manner. Late filing of the Form 104SF or Form 104DC may cause Freddie Mac a reduction in claim proceeds and Freddie Mac may reduce your reimbursements in the event the 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 expense reimbursement request is accurate and complete. Missing or inaccurate information may delay your reimbursement.
- Provide the correct expense codes. Refer to Exhibit 74, *Expense and Income Codes for Form 104SF*, in the *Single-Family Seller/Servicer 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.
- Document the “From” date and “To” date for all foreclosure fees, taxes, and insurance correctly.
- Provide supporting documentation to the MI company or Freddie Mac, as requested.

Servicers are responsible for filing any claims for FHA-insured loans and loans guaranteed by the VA or RHS.

Notice of Default Fee

The Notice of Default (NOD) fee on the Servicer Statement 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. You will also receive an Explanation of Benefits that provides a detailed itemization of the fee.

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 Statement for primary workout and pool claims.

REO primary MI curtailments are not billed on the Servicer Statement. Therefore, adjustments to these curtailments will be reflected through a separate billing process.