



2026 NAMFS Leadership Summit–Executive Brief

Session: Aligning Property Preservation Reimbursement with Actual Service Costs, Risk, and Industry Sustainability

Executive Summary

The NAMFS Leadership Summit featured an in-depth discussion of the Association's ongoing Industry Pricing Initiative, emphasizing the growing disconnect between property preservation reimbursement rates and the actual costs of delivering services.

Building upon the progress achieved in addressing property inspection pricing, NAMFS is advancing a data-driven effort to modernize property preservation reimbursement structures, recognize the increasing complexity of service delivery, and promote the long-term sustainability of the field services industry.

The session reinforced a central challenge: The industry continues to protect increasingly valuable assets using reimbursement structures that, in many cases, have remained largely unchanged for more than a decade, despite significant increases in operating costs.

Participants emphasized that meaningful progress requires more than requesting higher reimbursement rates. It requires documented cost justification, recognition of the value of property preservation services, operational efficiencies, and collaborative engagement with investors, insurers, servicers, and service providers.

Research and Progress to Date

NAMFS highlighted the extensive research supporting the initiative, including:

- Industry cost surveys conducted in 2021, 2023, and 2025 to track changes in service delivery expenses.
- Independent benchmarking using four cost-estimating resources across eight geographic markets, representing urban and rural locations within the four HUD Homeownership Center regions.
- Detailed examination of labor, materials, transportation, technology, insurance, administrative overhead, and quality control expenses.



- Development of industry white papers addressing winterization, debris removal, property condition reporting, fuel surcharges, and the value of recurring inspections.
- Continued engagement with industry stakeholders, including Fannie Mae, Freddie Mac, HUD, and servicing organizations.

The research identified cost increases ranging from approximately 4.3% to 35% across selected service categories when compared with earlier benchmarks.

The study also identified approximately \$19.85 in average underlying administrative, technology, insurance, and related service-chain costs per work order, before considering additional service-specific expenses.

These findings reinforce the importance of evaluating the complete cost of service delivery rather than focusing exclusively on the payment received by the field professional.

Key Discussion Outcomes

1. Modernizing Property Preservation Reimbursement

Participants reviewed research-based cost estimates demonstrating significant differences between historical reimbursement levels and current service delivery expenses.

Particular attention was given to winterization, debris removal, securing, boarding, and property condition reporting.

Winterization emerged as a critical priority due to its specialized requirements, liability exposure, and potential for substantial property damage when improperly performed.

The discussion emphasized the need to recognize the relationship between appropriate reimbursement, qualified service providers, workmanship, and asset protection.

2. Recognizing Geographic and Operational Cost Differences

The increasing concentration of assignments in rural and geographically dispersed markets presents additional challenges involving travel time, fuel expenses, and vendor availability.



Participants supported exploring rural mileage adjustments, fuel-related reimbursement mechanisms, and service-specific labor classifications that better recognize the actual resources required to complete assignments.

A central consideration was that specialized services should not automatically be valued using generalized labor assumptions.

3. Addressing FHA Allowables and Eviction-Related Expenses

The discussion identified opportunities to improve existing FHA reimbursement guidelines, including:

- Evaluating additional exclusions from the \$5,000 maximum property preservation cost limitation.
- Establishing clearer reimbursement expectations for eviction-related labor currently described as reasonable and customary.
- Recognizing regional licensing requirements, required staffing levels, minimum labor commitments, and short-notice scheduling challenges.

Greater clarity could improve consistency, reduce reimbursement disputes, and provide stronger guidance for both servicers and service providers.

4. Demonstrating the Business Case for Sustainable Pricing

Rather than relying exclusively on inflationary arguments, participants emphasized demonstrating the measurable benefits of appropriate reimbursement.

Potential benefits include improved vendor recruitment and retention, stronger geographic coverage, more consistent service completion, reduced rework, and better preservation of collateral value.

The discussion supported pursuing a limited preservation pricing pilot to evaluate whether reimbursement adjustments produce measurable improvements in operational performance and vendor network stability.

5. Identifying Operational Efficiencies and Unnecessary Costs

Participants emphasized that improving industry economics should involve both



reimbursement modernization and eliminating unnecessary service requirements.

Opportunities discussed included reviewing excessive property condition reporting questions, duplicative documentation requirements, and certain procedures that may deliver limited measurable value.

This approach could provide investors and servicers with opportunities to reduce unnecessary expenditures while redirecting resources toward services that more directly protect assets and mitigate risk.

6. Establishing Ongoing Cost Review and Industry Collaboration

A recurring theme was the need to move away from infrequent, substantial reimbursement adjustments toward a more consistent review process.

Participants supported annual, or at minimum biennial, cost assessments informed by independent benchmarks and updated industry data.

Continued participation in NAMFS research, surveys, and committees was identified as essential to maintaining credible data and advancing constructive discussions with industry decision-makers.

Strategic Implications

The Industry Pricing Initiative extends beyond reimbursement levels. It addresses the sustainability of the infrastructure responsible for inspecting, securing, maintaining, and protecting mortgage-related assets nationwide.

Prolonged reimbursement pressures can discourage new entrants, contribute to vendor attrition, reduce service coverage, and create conditions where cost becomes the primary differentiator rather than qualifications, reliability, and quality.

Appropriate reimbursement, supported by transparent research and measurable outcomes, can help strengthen professional service networks while reducing the risk of deferred maintenance, avoidable property damage, and operational inefficiencies.

The initiative also presents an opportunity to elevate recognition of field service professionals and the specialized expertise required to protect collateral effectively.

Recommended Next Steps



- Finalize the Preservation Cost Study: Incorporate updated quarterly benchmarks, validate underlying cost assumptions, and strengthen supporting documentation.
- Advance Investor and Insurer Engagement: Present research findings and practical reimbursement recommendations to FHA, Fannie Mae, Freddie Mac, and other relevant stakeholders.
- Develop a Preservation Pricing Pilot: Identify targeted services and measurable performance indicators, including vendor coverage, completion timelines, quality, rework, and service provider retention.
- Evaluate Guideline Improvements: Continue advocating for clearer eviction labor reimbursement, appropriate FHA allowable exclusions, and recognition of specialized service costs.
- Identify Cost-Reduction Opportunities: Collaborate with servicers and service providers to evaluate unnecessary documentation, duplicative reporting, and operational requirements.
- Establish Recurring Cost Reviews: Develop a framework for annual or biennial reassessment using independent benchmarks and industry input.
- Expand Industry Participation: Encourage broader participation in NAMFS surveys, research, and the Industry Solutions Committee to strengthen the evidence supporting future recommendations.

Executive Takeaway

Protecting today's assets requires reimbursement structures that reflect today's costs, service requirements, and operational realities.

The NAMFS Industry Pricing Initiative seeks to move the conversation beyond pricing alone by demonstrating the relationship between fair, sustainable reimbursement, professional service delivery, vendor network stability, and effective asset protection.

The Leadership Summit reinforced the importance of continued, data-driven collaboration to develop practical solutions that balance investor and servicer cost considerations with the resources necessary to deliver consistent, quality property preservation services.



The objective is not simply to increase reimbursement, but to establish a more sustainable, efficient, and accountable service delivery model that benefits the entire industry.