NATIONAL ASSOCIATION OF MORTGAGE FIELD SERVICES

EST. 1988

Modernizing Allowables for Debris Disposal in the Mortgage Field Service Industry

Executive Summary:
The mortgage field service industry plays a critical role in preserving and maintaining properties in default or foreclosure. A key component of property preservation involves debris removal to ensure compliance with municipal codes and maintain neighborhood standards. However, current allowable rates for debris disposal, set by regulatory agencies and loan servicers, have not kept pace with rising costs driven by inflation, landfill fees, and transportation expenses.

This paper outlines the challenges posed by outdated allowable rates, provides an analysis of cost trends, and presents recommendations for revising and modernizing debris disposal allowances to ensure efficiency, compliance, and sustainability.

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1. Introduction

The mortgage field service industry is responsible for maintaining properties on behalf of mortgage servicers, investors, and government-sponsored enterprises (GSEs). Among its many services, debris removal is one of the most critical, as properties in default or foreclosure often accumulate large amounts of trash and discarded materials. Proper debris disposal protects property values, mitigates health hazards, and supports neighborhood stability.

However, existing allowable reimbursement rates for debris disposal fail to reflect current market conditions. As a result, vendors face mounting challenges in covering costs, leading to inefficiencies and delays in disposal that ultimately impact servicers and investors.

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2. Challenges with Current Allowable Rates

A. Rising Costs

- **Landfill and Dump Fees:** Municipal landfill fees have risen significantly in the past decade, with some regions experiencing double-digit percentage increases.

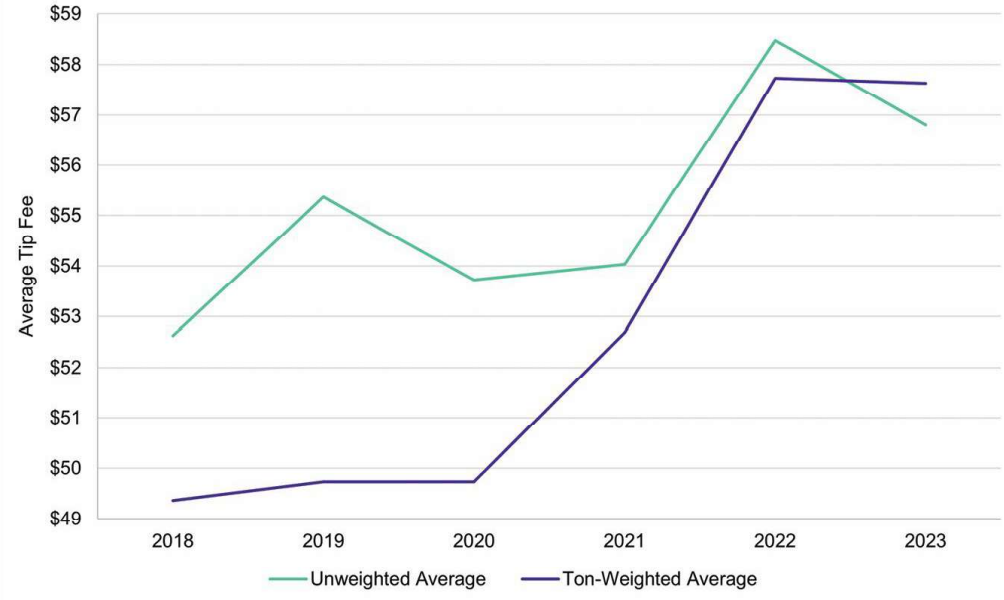
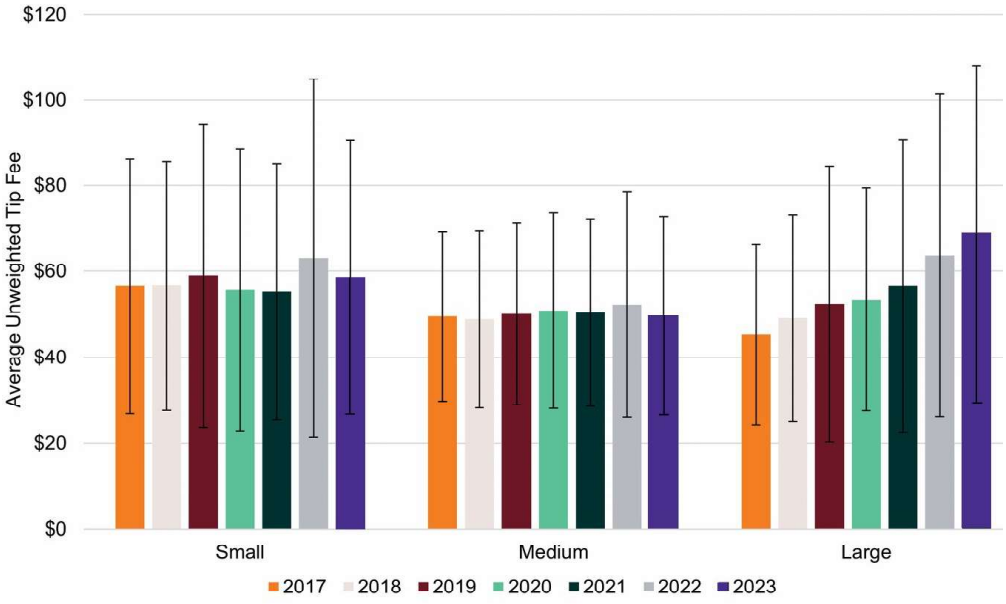


Figure 1. Unweighted and Ton-Weighted Average Tip Fee (2018-2023)

Table 2. Average MSW Landfill Tip Fees, by Size of Landfill (2017-2023)

Year	Small	Medium	Large
2017	$56.57	$49.51	$45.25
2018	$56.66	$48.77	$49.09
2019	$58.93	$50.11	$52.44
2020	$55.72	$50.87	$53.43
2021	$55.27	$50.36	$56.60
2022	$63.10	$52.27	$63.75
2023	$58.55	$49.70	$68.82



[a] Range shown is the standard deviation.

Figure 2. Average MSW Landfill Tip Fees, by Size of Landfill (2017-2023)[a]

Source: *The Environmental Research & Education Foundation (www.erefdn.org) ANALYSIS OF MSW LANDFILL TIPPING FEES - 2023 PUBLISHED MAY 2024*

- **Transportation Expenses:** Fuel costs and vehicle maintenance expenses have also climbed due to inflation and supply chain disruptions.

- **Labor Costs:** The industry faces increased labor rates due to workforce shortages and higher minimum wage requirements.

Average and Median Amounts of Net Compensation

Year	Average net compensation			Median net compensation[a]			Ratio of median to average
	Amount	Change Annual	Change Cumulative	Amount	Change Annual	Change Cumulative	
2015	46,119.78	3.479%	120.417%	29,930.13	3.740%	98.529%	64.897%
2016	46,640.94	1.130%	122.908%	30,533.31	2.015%	102.530%	65.465%
2017	48,251.57	3.453%	130.606%	31,561.49	3.367%	109.350%	65.410%
2018	50,000.44	3.624%	138.964%	32,838.05	4.045%	117.818%	65.676%
2019[b]	51,916.27	3.832%	148.120%	34,248.45	4.295%	127.173%	65.969%
2020	53,383.18	2.826%	155.131%	34,612.04	1.062%	129.585%	64.837%
2021	58,129.99	8.892%	177.817%	37,586.03	8.592%	149.311%	64.659%
2022	61,220.07	5.316%	192.585%	40,847.18	8.676%	170.943%	66.722%
2023	63,932.64	4.431%	205.549%	43,222.81	5.816%	186.701%	67.607%

Source: *Social Security Administration* *Average wages, median wages, and wage dispersion*

B. Environmental Regulations

- Stricter environmental laws governing Household Hazardous Waste (HHW) for companies versus residents require more expensive processing and compliance measures. EPA Guidance on HHW - Household Hazardous Waste (HHW) | US EPA. While residents are held to one standard, companies performing services are often regulated by a state and/or local ordinances - Health and Environmental Agencies of U.S. States and Territories | US EPA.

C. Volume Discrepancies

- Current allowable rates often fail to account for the variability in debris volume across properties, particularly in cases of hoarding or vandalism, where debris can far exceed average levels.
- Current allowable also fails to account for differences in debris itself as dump fees are calculated by ton while the allowable is in cubic yards.
- Current allowable rates fail to account for labor costs associated with collecting debris, including crushing in the dumpster. This also leads to volume disputes.
- Common debris items, such as; bricks, shingles, concrete, and building materials weigh significantly more and involve more labor than typical debris/trash.

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3. Industry Trends and Data

A survey conducted by the National Association of Mortgage Field Services (NAMFS) with input from regional vendors highlights the following cost increases over the past 5 years:

- Average landfill fees increased by **35-50%** nationwide.
- Transportation costs rose by **20-30%** due to fuel and maintenance expenses.
- Labor costs experienced a **15-25%** hike due to wage pressures.

In contrast, allowable rates have remained static for more than 10 years, failing to reflect these upward trends.

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4. Recommendations for Allowable Rate Adjustments

A. Market-Driven Rate Adjustments

- Implement annual or biennial rate reviews tied to the Consumer Price Index (CPI) and regional cost-of-living metrics.

B. Flexible Allowances by Region

- Recognize geographic variations in landfill fees and transportation costs by introducing region-specific allowances.

C. Volume-Based Allowables

- Establish tiered pricing structures to accommodate properties with larger-than-average debris volumes, ensuring proper reimbursement for excessive loads.

D. Sustainability Incentives

- Provide higher reimbursement rates for recycling and environmentally responsible disposal methods to encourage compliance with sustainability goals.

E. Cost Estimators

- Allow servicers to claim reimbursement for debris removal with the use of industry accepted cost estimators and/or actual receipts from the local disposal facility.

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5. Conclusion

Modernizing allowable rates for debris disposal is not just a financial necessity; it is an operational imperative for the mortgage field service industry. Outdated rates strain vendor

relationships, delay preservation activities, and expose mortgage servicers to compliance risks and reputational harm.

By adopting market-based, flexible, and volume-sensitive approaches, the industry can ensure that debris disposal remains efficient, cost-effective, and environmentally responsible.

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6. Call to Action

We urge policymakers, mortgage servicers, and regulatory bodies to review and revise current allowable rates based on market data and industry feedback. Collaborative discussions with field service vendors, trade associations, and stakeholders will be essential to developing a framework that reflects today's economic realities.

Contact Information:
For further discussion and insights, please contact:
Eric Miller
Executive Director
National Association of Mortgage Field Services, Inc (NAMFS)
eric.miller@namfs.org
(888) 292-6831 ext. 1

This document serves as a foundation for initiating meaningful reforms in debris disposal allowances within the mortgage field service industry.