



IAFST WHITE PAPER

The Case for a Mandatory Fuel Surcharge in the Mortgage Field Services Industry

Issued by the International Association of Field Service Technicians (IAFST)

March 2026 | Paul Williams IAFST Press Secretary | iafst.org

Executive Summary

The mortgage field services industry is facing a fuel crisis that is no longer theoretical — it is existential. In the weeks following the U.S.-Israel war with Iran and the effective closure of the Strait of Hormuz, gasoline prices have surged more than \$1.00 per gallon in under a month, with California drivers now paying as much as \$5.79 per gallon and national averages approaching \$4.00. Diesel — the lifeblood of service vehicles used across the industry — is hovering near \$5.00 per gallon nationally, up more than \$1.34 in a single month.

Against this backdrop, Field Service Technicians and Inspectors in the mortgage field services industry continue to absorb 100% of all fuel costs out of pocket, while their base compensation has remained effectively frozen for over three decades. In an industry where an Inspector is routinely paid \$9.00 per inspection — approximately the price of a single gallon of premium

The International Association of Field Service Technicians
is the Premiere Mortgage Field Services Industry Trade Association

Classified by: IAFST Board
Reason(s): Public
Declassify by: N/A
Prepared by: Williams, P

Controlled by: IAFST Board: S&P
CUI Category(ies): UNCL
Ltd Dissemination Control: N/A
POC: Williams, P

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gasoline in California — the economics have collapsed beyond any reasonable sustainability threshold.

The [International Association of Field Service Technicians](#) (IAFST) formally calls upon all National and Regional Order Mills, mortgage servicers, GSE-aligned contractors, and industry stakeholders to immediately implement a standardized, geographically indexed Fuel Surcharge applied to every work order assigned to Field Service Technicians and Inspectors. This is not a request. It is an operational necessity.

About the IAFST

The International Association of Field Service Technicians (IAFST) is an international trade association with membership spanning the United States, Canada, and Europe, founded in 2016 and operating as an IRS 501(c)(6) trade association. IAFST is unique in the industry as the only organization that represents both Labor and Management, providing a singular forum for advocacy, business development, education, and representation across all constituencies of the mortgage field services sector.

Where legacy associations have historically served the interests of management and order mills — often while their members defrauded contractors and suppressed labor rights — IAFST has stood as an unequivocal Friend of Labor. Through IAFST University, the Association offers digitally accredited CTDL certifications, apprenticeship pathways, and compliance training. Through its NAICS filing, IAFST has fought for the industry's proper federal recognition, enabling the wage standardization and economic tracking that labor rights require. Through its Dodge Memorial Fund, IAFST honors those who have paid the ultimate price for an industry that has never paid them fairly.

This white paper is issued in the IAFST's capacity as the industry's foremost labor advocate and the sole trade association with the standing and credibility to compel industry-wide reform.

The Fuel Crisis: By the Numbers

The war between the United States, Israel, and Iran — which commenced on February 28, 2026 — has triggered the most severe disruption to global oil supplies in decades. The Strait of Hormuz, through which approximately 20 million barrels of crude oil and natural gas transit daily

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— representing roughly one-fifth of the world's total supply — has been effectively shut down. The consequences for American consumers, and for the thousands of Field Service Technicians and Inspectors who drive tens of thousands of miles per year to service distressed and foreclosed properties, have been immediate and devastating.

<p>~\$3.98/gal National Average Gas Price (March 2026)</p>	<p><i>Up from \$2.98/gal before the Iran conflict — a \$1.00+ increase in under one month (AAA)</i></p>
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<p>\$5.79/gal California Regular Gas (March 2026)</p>	<p><i>The highest in the nation; an Inspector paid \$9 per order clears less than 1.5 gallons before expenses (AAA/Fox Business)</i></p>
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<p>~\$5.00/gal National Diesel Average (March 2026)</p>	<p><i>Up \$1.34 from a month prior — the primary fuel for service trucks and heavy equipment (AAA)</i></p>
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<p>+40%+ Crude Oil Price Spike</p>	<p><i>Oil surged from ~\$70/barrel pre-conflict to nearly \$120/barrel within days of hostilities, before settling near \$100 (NPR/Time)</i></p>
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<p>+\$0.48/gal Gas Price Surge (Week 1 of War)</p>	<p><i>In the first week alone following the U.S. bombing of Iran (Center for American Progress)</i></p>
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<p>>\$4.25/gal Projected Peak (May 2026)</p>	<p><i>Goldman Sachs modeling projects national average gas prices will peak above \$4.25/gal, with households paying ~\$857 more for the remainder of the year</i></p>
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These are not aberrations. Analysts at GasBuddy, Goldman Sachs, and the Center for American Progress have all warned that prices are likely to remain elevated well after any Strait of Hormuz reopening. As one analyst put it: "Until we see a meaningful resumption of oil flows through the Strait of Hormuz, upward pressure on fuel prices is likely to persist." Seasonal refinery transitions to summer blends compound the problem further. As prices go up like a rocket, they historically come down like a feather — and Field Service Technicians and Inspectors will absorb every cent of that lag.

Three Decades of Stagnant Pay: The Other Crisis

The fuel crisis does not exist in isolation. It is the match dropped into a decade of accumulated tinder — a labor system so structurally broken that even modest market disruptions now threaten to wipe out the economic viability of field work entirely.

What Inspectors Are Actually Paid

In 2026, an Inspector performing an occupancy check — the foundational audit upon which the entire foreclosure pipeline depends — is commonly paid between \$5 and \$9 per work order by national and regional order mills. This is not a starting rate. This is the industry's established ceiling for the work order category. As Foreclosurepedia has documented:

- In 2011, a standard inspection yielded \$15–\$25 per order.
- Today, large national firms offer \$5–\$7, and \$9 represents a relative premium.
- The average pay per work order has not only stagnated but in some cases decreased, due to the rise of chargebacks and unpaid escalations deployed by order mills to recapture margins at labor's expense.
- Field Service Technicians performing property preservation work — grass cuts, winterizations, lock changes, securing — are now being offered \$25–\$30 for jobs that paid \$50–\$75 in 2011.

Read that again: an Inspector is being paid \$9 to get in their vehicle, drive to a property, conduct a condition assessment, photograph it, complete the reporting requirements in a proprietary software platform, upload the data, pay for materials and insurances, and submit their invoice — in California, that \$9 does not even cover two gallons of gasoline.

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NAMFS Members and Management: A Different Story

While labor has been systematically starved, management has feasted. The contrast between what Field Service Technicians and Inspectors earn and what their management counterparts at National Association of Mortgage Field Services (NAMFS) member companies collect is not incidental — it is the product of deliberate structural design.

- NAMFS member companies have received "enormous price hikes in virtually every category, including inspections" over the past decade — hikes that have never been passed through to labor.
- NAMFS Executive Director Eric Miller has historically been compensated at over \$120,000 per year — a figure representing over 110% of all NAMFS member dues and nearly twice the national average for comparable association director positions.
- The Mortgage Contracting Services (MCS) acquisition strategy — absorbing MSI, GIS Field Services, Five Brothers, and others under the ownership of Littlejohn & Co. and now sold to Stewart Title — has systematically reduced competitive options for labor, suppressing wages through consolidation rather than market forces.
- Over 80% of the industry's rank-and-file workforce has left the field in the past decade, according to data cited by NAMFS itself — a figure that is not a coincidence, but an indictment.

Foreclosurepedia has documented this dynamic with precision: "Labor's pay remains stagnant over the past 30+ years. Not a penny of NAMFS members' price increases from the US government has filtered through." This is the operating reality against which any fuel surcharge discussion must be understood.

Purchasing Power Collapse: A 30-Year Timeline

Category	~2011 Rate	2026 Rate	Change
Standard Inspection Pay	\$15 – \$25	\$5 – \$9	↓ ~60–65%
Grass Cut / Mow Pay	\$50 – \$75	\$25 – \$30	↓ ~50–60%
Gallon of Gas (National)	\$3.53	~\$3.98 (surging)	↑ ~13%+
Gallon of Gas (California)	~\$3.80	\$5.79	↑ ~52%

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Auto Insurance (Annual)	~\$1,400	~\$2,150+	↑ ~54%
Average Milk (gallon)	\$3.39	~\$4.50	↑ ~33%
NAMFS Exec. Director Pay	~\$90,000	\$120,000+	↑ ~33%+

The Fuel Surcharge: What the IAFST Proposes

The IAFST calls for the immediate adoption of a mandatory, standardized Fuel Surcharge applied to every work order issued to Field Service Technicians and Inspectors. The surcharge shall not be absorbed by prime vendors or order mills but must pass through in full to the boots-on-the-ground labor performing the work.

Proposed Surcharge Framework

- **Base Fuel Surcharge:** A minimum of \$1.05 per work order applied to all inspection and property preservation assignments, effective immediately. This must be paid directly to Labor and not the order mills.
- **Geographic Indexing:** States with gas prices exceeding \$4.50/gallon (currently California, Washington, and others) shall receive a regionally adjusted surcharge of no less than \$1.45 per work order.
- **Volatility Trigger:** When the AAA national average exceeds \$4.00/gallon, all surcharges automatically increase by \$1.00 per order until the average returns below \$3.50/gallon.
- **Diesel Premium:** Work orders requiring heavy vehicles or equipment shall carry an additional \$1.50 Diesel Surcharge given the current diesel premium of approximately \$1.00+ above regular gasoline.
- **Quarterly Review:** The IAFST shall publish a Fuel Surcharge Index each quarter benchmarked against AAA national averages, state-level data, and EIA crude price reports, allowing automatic recalibration.
- **No Chargeback Offset:** Order mills are expressly prohibited from offsetting or recapturing the Fuel Surcharge through chargeback mechanisms, reduced base rates, or revised payment schedules.

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Precedent in Other Industries

Fuel surcharges are not novel. They are standard operating procedure in virtually every other industry that relies on mobile labor. The trucking industry has maintained formalized fuel surcharge tables indexed to the Department of Energy's weekly diesel price report since the 1970s. Courier and parcel companies — UPS, FedEx, USPS contractors — apply automatic fuel surcharges that adjust weekly. Airlines have built fuel cost recovery directly into their fare structures. HVAC contractors, plumbers, and electricians — the industries the IAFST's pending NAICS application will formally place mortgage field services alongside — routinely include fuel and travel cost recovery in their job pricing.

The mortgage field services industry is the outlier — the lone sector that has normalized the complete externalization of fuel costs onto independent contractors already operating at or below subsistence margins. That outsider status ends now.

The Strait of Hormuz Shock: A Near-Term Emergency

The immediate catalyst for this white paper is the compounding effect of the Iran war on an already-broken labor economics model. The numbers warrant repeating in blunt terms:

- Pre-war national gas average: \$2.98/gallon (February 26, 2026).
- Current national gas average: ~\$3.98/gallon (March 2026) — a \$1.00 increase in under one month.
- Current California average: \$5.79/gallon — a \$1.69 increase over the same period.
- Current national diesel average: ~\$5.00/gallon — up \$1.34 in a month.
- Crude oil price: Spiked from ~\$70/barrel pre-conflict to nearly \$120/barrel, settling near \$100.
- Oil price increase (total conflict period): More than 40%.
- Projected national gas peak: Above \$4.25/gallon by May 2026 (Goldman Sachs modeling).
- Projected household fuel cost increase: ~\$857 more per household for the remainder of 2026.

The Strait of Hormuz carries approximately 20 million barrels of oil daily — about one-fifth of global daily production — through a channel just 21 miles wide at its narrowest point. The effective suspension of shipping through this chokepoint represents what analysts have called

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the worst global oil supply disruption in decades, exceeding even the early weeks of Russia's invasion of Ukraine in its rate of price escalation.

For a Field Service Technician or Inspector driving 400–600 miles per week to complete a standard work queue, the monthly fuel cost increase of \$1.00/gallon represents \$40–\$60 in additional out-of-pocket expense — before accounting for projected further increases such as materials. For workers already absorbing 100% of their fuel costs against \$5–\$9 work orders, this is not an inconvenience. It is financial annihilation.

And let us be clear about the asymmetry at the heart of this crisis: the same energy market disruption that is destroying the margins of Inspectors and Technicians is also raising the costs for mortgage servicers, GSEs, and order mills — who, unlike labor, have the contractual and institutional capacity to pass those costs upstream. They will recover. Labor, without a surcharge, will not.

The Cost of Inaction

The mortgage field services industry has already hemorrhaged more than 80% of its active Field Service Technicians and Inspectors over the past decade. This is not natural workforce churn. It is the predictable outcome of systematically suppressing labor compensation while escalating labor requirements. The workers who remain are those who have not yet found an alternative — not those who find the work economically viable.

Without a fuel surcharge, the Iran war price shock will accelerate this attrition. Inspectors earning \$9 per work order in California, where gas is now \$5.79/gallon, are effectively paying to work. At that math, every inspection order accepted is a net financial loss once vehicle depreciation, insurance, data plan costs, and time are factored in. The rational response is to stop taking orders. And when Inspectors stop, the foreclosure pipeline — upon which mortgage servicers, banks, and GSE portfolios depend — seizes.

The IAFST has documented a consistent pattern: labor abandons unsustainable positions, quality collapses, servicers scramble for coverage, and the resulting desperation produces the regulatory violations and property blight that cost municipalities and investors far more than any surcharge ever would. The industry's refusal to price fuel cost recovery into its work order structure is not financially prudent — it is structurally suicidal.

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Moreover, there is a legal exposure dimension that order mills and servicers have persistently chosen to ignore. Contractors who bear 100% of fuel costs while working under functionally exclusive vendor agreements — unable to negotiate rates, subject to non-compete clauses in states like Florida, and locked into proprietary software platforms — occupy a legal gray zone of employee misclassification that courts have begun to scrutinize aggressively. Mortgage Contracting Services paid over a million dollars to settle the Vinson v. MCS misclassification case. Additional exposure multiplies with every new state that moves to strengthen independent contractor protections. A proper fuel surcharge, properly structured, is also a legal prophylactic.

Call to Action: What the Industry Must Do Now

The IAFST calls on the following parties to act without delay:

Order Mills and Prime Vendors

- Implement a minimum \$1.05 Fuel Surcharge on all work orders, effective within 30 days of this white paper's publication.
- Provide written commitment that surcharges will not be offset by chargebacks, rate adjustments, or revised contractor agreements.
- Participate in IAFST's Fuel Surcharge Index quarterly review process to ensure ongoing calibration.

Mortgage Servicers and GSE Counterparties

- Revise service agreements with prime vendors to require explicit Fuel Surcharge pass-through provisions to labor.
- Incorporate fuel cost recovery language into next-cycle RFP and contract templates.
- Support IAFST's NAICS designation effort, which will enable federal wage tracking and cost-of-living adjustment mechanisms for the industry.

Industry Associations and Regulatory Observers

- NAMFS, NADP, and REOMAC: Publicly endorse the IAFST's Fuel Surcharge framework or formally explain to your memberships — including the labor they extract value from — why you have not.

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- HUD and FHFA: Include fuel cost recovery provisions in field services oversight guidelines for GSE-backed portfolios.
- State Attorneys General: Consider the fuel cost externalization model in the context of ongoing contractor misclassification enforcement actions.

Field Service Technicians and Inspectors

- Join the IAFST. This association exists because you deserve representation — real representation, not the performance of it that legacy associations have sold to management for three decades.
- Document your fuel costs. Keep mileage logs, receipts, and records of work order rates. This data is the foundation of legal and regulatory action.
- Do not accept work orders that do not pencil. An industry that needs your labor must eventually pay for it — but only if you stop subsidizing its refusal.

Conclusion: The Economics Are the Argument

There are industries where the case for labor reform requires elaborate moral philosophy, competing political frameworks, and generational debates about the role of capital and work. The mortgage field services industry in March 2026 is not one of them. The economics are so stark that the argument makes itself.

An Inspector is paid \$9 per work order. A gallon of gas in California costs \$5.79. National gas prices have risen more than \$1.00 in under a month. Diesel is approaching \$5.00. A Goldman Sachs fuel model projects the average household will pay \$857 more in gasoline costs before the year is out. Inspectors have seen their per-order compensation drop by more than 60% in real terms over the past fifteen years. Management has seen raises. Order mills have seen rate increases. Labor has seen nothing — and has been told, implicitly, to absorb whatever the market dishes out.

The IAFST will not accept that conclusion. Neither should the industry.

A fuel surcharge is not a radical demand. It is the minimum acknowledgment that the workers keeping America's distressed property inventory in compliance and condition are human beings with vehicles, and that vehicles require fuel, and that fuel costs money, and that \$9 — or \$7, or

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\$5 — does not cover it. It never has. It certainly does not now.

The Strait of Hormuz may eventually reopen. Oil prices may eventually normalize. But the structural injustice at the foundation of this industry's labor model predates the Iran conflict by thirty years, and it will outlast it if the industry chooses to remain passive.

The IAFST will not remain passive. This white paper is notice.

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