

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-183812

DATE: MAY 4 1976

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**MATTER OF: Royce R. Newcomb - Transfer - Brokerage Fee-
Sale of membership interest in a cooperative**

**DIGEST: Employee transferred to new duty station.
Brokerage fee and settlement fee incurred
incident to sale of a membership interest
in a cooperative are reimbursable, but only
to the extent customarily charged in the
locality. 5 U.S.C. 5724a(a)(4)(1970);
para. 2-6.1 et. seq. of the Federal Travel
Regulations, (FPMR 101-7, May 1973).**

This action is in response to a request dated April 30, 1975, from Orris C. Huet, an authorized certifying officer, United States Department of Agriculture, at the National Finance Center in New Orleans, Louisiana, asking for a decision as to the reimbursability of a reclaim voucher in the amount of \$220 submitted by Mr. Royce R. Newcomb, an employee of the Department, for real estate expenses incurred by him in connection with the sale of a membership in a cooperative apartment at his old duty station incident to his transfer.

At the time of Mr. Newcomb's authorization to transfer from Washington, D.C. to New Orleans, Louisiana, on August 29, 1974, he owned a membership in a cooperative housing project in Washington. His membership entitled him to occupy one of the units in the project for residential purposes. Mr. Newcomb resided in this unit and upon his transfer sold the membership. He incurred a brokerage fee of \$275 and claims \$220 or 10 percent of his cooperative equity as the maximum amount allowable for brokerage fee reimbursement under Federal Travel Regulations (FTR) para. 2-6.2g, (FPMR 101-7, May 1973).

Reimbursement for the expenses incurred by a transferred employee in connection with the sale of his residence at his old official station under 5 U.S.C. 5724a(a)(4)(1970), is governed by the provisions of para. 2-6.1 et. seq. of the FTR.

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Para. 2-6.1c of the FTR specifically refers to an interest in a cooperatively owned building as being a form of ownership of a residence for which the expenses incurred in selling the interest incident to a transfer may be reimbursed. The expenses for which reimbursement is authorized are limited to those set forth in FTR para. 2-6.2a et. seq., subject to overall limitations of para. 2-6.2g. Para. 2-6.2a of the FTR (May, 1973), authorizes reimbursement for a broker's fee or real estate commission paid by the employee to the extent the fee does not exceed the rates generally charged for such services in the locality of the old official station. By a letter dated March 8, 1976, the Acting Director of the Washington Area Office, Department of Housing and Urban Development (HUD), advised us that the typical sales commission (e.g., broker's fee) charged by real estate brokers in the District of Columbia is six percent. On the basis of this information, the amount requested by Mr. Newcomb as a reimbursable brokerage fee is in excess of the usual allowable amount.

The certifying officer also asks whether the employee may be reimbursed for the \$100 he paid to the cooperative for its services in connection with the settlement. On this matter, our decision B-177947, June 7, 1973, states that a settlement fee exceeding \$50 is in excess of the amount customarily reimbursable in the Washington, D.C. area. The HUD letter of March 8, 1976, also shows that \$50 is the maximum customary settlement fee in Washington, D.C.

Accordingly, Mr. Newcomb's reimbursement should be limited to 6 percent of his equity value--\$2,200--in his cooperative unit or \$132, and \$50 of the \$100 incurred as a settlement fee incident to the sale of his unit. Combining these two amounts, Mr. Newcomb is entitled to a reimbursement totaling \$182.

The voucher is returned herewith and, if determined correct, may be certified for payment only in accordance with the foregoing.

R. F. Keller

Deputy

Comptroller General
of the United States

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