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*D. Agazarian  
Civ. Serv.*

**DECISION**



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

**FILE: B-187087**

**DATE: FEB 7 1977**

**MATTER OF: Glen A. Ballenger - Relocation expenses**

- DIGEST:**
1. Employee may not be reimbursed for legal fees incurred for purchase of residence where bill for legal and related expenses is not itemized, and portions of bill are not allocated to each item. Only those types of legal fees specifically enumerated in FTR para. 2-6.2c are reimbursable. See Comp. Gen. Decs. cited.
  2. Employee claims \$412.50 for lender's appraisal fees incident to purchase of new residence. Under FTR para. 2-6.2b such expense is reimbursable to extent it is customary. In view of the HUD Schedule of Closing Costs showing customary appraisal fee in area is \$35, claimant is entitled to only \$35 which has been administratively allowed. See Comp. Gen. Decs. cited.
  3. Transferred employee may not be reimbursed for loan application fee as such fee is finance charge under Truth in Lending Act and therefore not reimbursable under FTR para. 2-6.3d. There is no evidence that loan application fee is actually for credit report. See Comp. Gen. Decs. cited.
  4. Since FTR para. 2-6.3a requires documentation of real estate expenses incurred by transferred employees incident to real estate transaction, claim for termite inspection fee incident to house sale may not be reimbursed until supporting documentation such as receipt is submitted.

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This matter is before us based on the request dated September 15, 1976, of Mr. Anthony E. Belliotti, an authorized certifying officer of the United States Civil Service Commission, for a decision on the reclaim of \$1,065 disallowed for expenses incurred incident to the transfer of a Commission employee, Mr. Glen A. Ballenger, from Washington, D.C., to Macon, Georgia. The reclaimed items represent the following expenses incurred incident to the purchase of a residence: \$612.50 for legal and related expenses, \$412.50 for lender's appraisal fees, and \$25 for loan application fee. Mr. Ballenger also claims \$15 for a termite inspection fee incident to the sale of his former residence.

Authority for the reimbursement of legal expenses is in para. 2-6.2c of the Federal Travel Regulations (FTR 101-7) (May 1973) which provides as follows:

"c. Legal and related expenses. To the extent such costs have not been included in brokers' or similar services for which reimbursement is claimed under other categories, the following expenses are reimbursable with respect to the sale and purchase of residences if they are customarily paid by the seller of a residence at the old official station or if customarily paid by the purchaser of a residence at the new official station, to the extent they do not exceed amounts customarily charged in the locality of the residence: costs of (1) searching title, preparing abstract, and legal fees for a title opinion or (2) where customarily furnished by the seller, the cost of a title insurance policy; costs of preparing conveyances, other instruments, and contracts and related notary fees and recording fees; costs of making surveys, preparing drawings or plats when required for legal or financing purposes; and similar expenses. Costs of litigation are not reimbursable."

Only those portions of an attorney's fees that are for services of the type specified in para. 2-6.2c are properly reimbursable. B-183037, March 21, 1975; B-183694, November 24, 1975. A detailed statement of attorney's fees is required in order to distinguish reimbursable types of fees from those for which reimbursement may not be

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authorized. B-160040, July 13, 1976. This statement must be an itemized list of services with the dollar amount specified for each service. Id., 54 Comp. Gen. 67 (1974). Accordingly, Mr. Ballenger may not be allowed payment for any portion of his claim for legal expenses until he submits the required breakdown of costs.

Mr. Ballenger's claim of \$412.50 for lender's appraisal fees was denied by the certifying officer on the basis that the amount claimed was unreasonable. Federal Travel Regulations para. 2-6.2b states that "the customary cost of an appraisal" may be reimbursed. See B-183694, November 24, 1975. Federal Travel Regulations para. 2-6.3c provides that in determining the reasonableness of a real estate charge, the local or regional office of the Department of Housing and Urban Development (HUD) should be consulted as HUD maintains a current Schedule of Closing Costs applicable to the area. In this instance, the Atlanta Regional Office of HUD advised the certifying officer that the customary charge for an appraisal fee in the Macon, Georgia, area was \$35. Claimant has furnished no evidence to indicate that a higher cost for real estate appraisals was customary in the area. The determination of reasonableness of individual items of real estate expenses is a factual determination to be made by the certifying officer based upon an examination of the record and after consultation with the appropriate office of HUD, 54 Comp. Gen. 827 (1975). As the certifying officer has complied with this procedure, we see no reason to question his determination as to the matter of reasonableness of the claimed lender's appraisal fee.

Concerning the reclaim of \$25 for a loan application fee, para. 2-6.2d of the FTR provides in part that:

\* \* \* Notwithstanding the above, no fee, cost, or charge, or expense is reimbursable which is determined to be a part of the finance charge under the Truth in Lending Act, Title I, Public Law 90-321, and Regulation Z issued pursuant thereto by the Board of Governors of the Federal Reserve System. \* \* \*

Under this provision, reimbursement is precluded for an item of expense incident to a real estate transaction which constitutes a finance charge under Regulation Z. Section 106 of the Truth in Lending Act, 15 U.S.C. 1605 (1970) provides in pertinent part that the amount of the finance charge in any transaction is to be determined

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as the sum of all charges which are imposed directly or indirectly by the creditor incident to the extension of credit, including loan fees.

Regulation Z (12 C.F.R. part 226.4) promulgated by the Board of Governors of the Federal Reserve System pursuant to the Truth in Lending Act, sets forth the foregoing in essentially the same form.

While Mr. Ballenger states that the loan application fee is essentially a credit report fee which would be reimbursable under FIR para. 2-5.2d, 54 Comp. Gen. 827 (1975), there is nothing in the record which substantiates this contention. A loan application fee is a finance charge under the Truth in Lending Act and is accordingly not for payment. 9-175424, June 8, 1972.

The final item for our consideration is the disallowance of a termite inspection fee in the amount of \$15 on the basis that the claimant has failed to provide a receipt to substantiate that the expense was incurred. Federal Travel Regulations para. 2-6.3a concerning documentation of claims for reimbursement of expenses incurred in connection with residence transactions provides in part that:

" \* \* \* Amounts claimed must be supported by documentation showing that the expense was in fact incurred and paid by the employee. Included in the required supporting documents (as appropriate) are copies of (1) the sales agreement, (2) the purchase agreement, (3) property settlement documents, (4) loan closing statements, and (5) invoices or receipts for other bills paid. \* \* \*"

Mr. Ballenger has informed this Office that he has a copy of the sales agreement incident to the sale of his former residence and he states that the sales agreement shows that he, the seller, incurred the expense of \$15 for a termite inspection. Payment may be allowed at such time that claimant provides supporting documentation of this expense.

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Action on the reclaim voucher should be taken in accordance with the above.

R.F.KELLER

Deputy Comptroller General  
of the United States