

DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20543

8113

FILE: B-191235 DATE: October 25, 1978
MATTER OF: D. W. Holcombe - Relocation Expenses -
Closing Costs

DIGEST: Employee who purchased residence at new duty station incident to transfer of duty station claims closing costs paid by seller but included in purchase price. Since closing costs are clearly discernible and separable from price allocable to realty, both buyer and seller regarded costs as having been paid by buyer, and costs are properly documented, claim may be paid.

This action is in response to the letter of January 10, 1978, from Captain R. Fitzsimmons, Chief, Accounting and Finance Branch, Headquarters 443d Military Airlift Wing, Training (MAC), Altus Air Force Base, Oklahoma. In his letter Captain Fitzsimmons inquires as to the propriety of paying a voucher in the amount of \$443.76 representing expenses incurred by Mr. D. W. Holcombe in connection with his purchase of a new home incident to a permanent change of duty station. Mr. Holcombe, an employee of the Department of the Air Force, was transferred from Webb Air Force Base, Texas, to Altus Air Force Base, Oklahoma.

The Settlement Statement, dated May 27, 1977, and issued by the Harry Mortgage Company, provides an itemized account of the closing costs showing them as having been paid by the seller of the house. However, a letter from the Assistant Vice President of Harry Mortgage Company dated July 6, 1977, states that the closing costs were incorporated into the price of the house and were paid by Mr. Holcombe, the purchaser, as part of the purchase price.

Reimbursement of real estate expenses is authorized by Chapter 2, Part 6 of the Federal Travel Regulations (FPMR 101-7). FTR para. 2-6.2 enumerates allowable expenses. All of the costs claimed by Mr. Holcombe are properly allowable under the paragraph if he can be considered to have actually paid them.

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In our decision 52 Comp. Gen. 11 (1974) we held that closing costs which are added to the price of the realty and included therein may be reimbursed if the closing costs "are clearly discernible and separable from the price allocable to the realty." In that decision we overruled prior inconsistent decisions and held that all future analogous claims would be allowed. See Matter of Henry F. Holley, 56 Comp. Gen. 298 (1977) and Matter of Richard D. Abeyta, B-186814, March 8, 1977. In 52 Comp. Gen. 11 we stated at page 13:

"The closing costs which were added to the purchase price are clearly discernible and separable from the price allocable to the realty. Although the seller may have actually performed the act of initially paying the costs, the down payment and the amount paid at closing by the purchaser from his own funds exceeded the amount of those costs and the seller regards them as having been, in effect, paid by the purchaser. Also, the purchaser has supplied documentation of the amount of the costs and of his liability for them. * * *"

In the present case, the Settlement Statement shows that the closing costs are "* * * clearly discernible and separable from the price of the realty." The letter from Harry Mortgage Company satisfies the requirement that the seller regards the closing costs as having been paid by the purchaser. Thus, the Settlement Statement and letter provide the required documentation of the amount of the closing costs and Mr. Holcombe's liability for them.

Accordingly, payment may be made if otherwise proper.


Deputy Comptroller General
of the United States