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DECISION



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

FILE: B-203634

DATE: November 24, 1981

MATTER OF: Herbert S. Murphy

- DIGEST:**
1. Employee may be reimbursed for a recording fee and a notary fee incident to purchasing a house only to the extent that such fees do not exceed the amount customarily charged in his locality. See FTR para. 2-6.2d.
 2. Employee may not be reimbursed for a change of record fee incident to purchasing a house, since this fee is a finance charge within the meaning of Regulation Z, 12 C.F.R. §26.4(2).
 3. Employee may not be reimbursed for an owner's title policy, as reimbursement of this type of insurance is specifically precluded by FTR para. 2-6.2d.

Mr. Ronnie Davis, a certifying officer with the San Francisco Regional Office, Department of Housing and Urban Development, requests an advance decision regarding the reclaim of Mr. Herbert S. Murphy for expenses incurred in connection with the purchase of a residence upon his transfer to San Francisco, California, from Washington, D.C., in September 1980. The expenses claimed by Mr. Murphy, previously disallowed by his agency, are as follows:

Title Insurance Premium	\$570.00
Change of Record Fee	100.00
Recording Fee (of \$9.00)	3.00
Notary Fee (of \$8.00)	<u>4.00</u>
Total Disallowance	\$677.00

With regard to the recording fee and notary fee, the Federal Travel Regulations (FTR) (FPMR 101-7, May 1973) at para. 2-6.2d permit reimbursement of these fees if they are customarily paid by a purchaser to the extent they do not exceed the amount customarily paid in the locality of the residence. Since Mr. Murphy has already been reimbursed by his agency for the amounts customarily

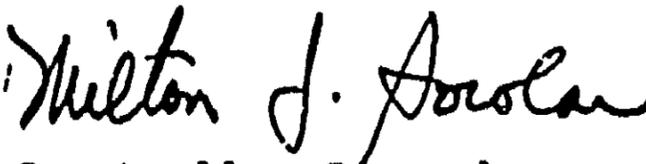
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paid in his area for recording and notary fees, there is no authority to pay the additional amounts regardless of the fact that Mr. Murphy may have been charged higher fees.

With regard to the change of record fee, the settlement statement lists this as an assumption fee paid to Gibraltar Savings. We have long held that a loan transfer fee or loan assumption fee is not reimbursable because it is regarded as a finance charge under Regulation Z, 12 C.F.R. 226.4(a), despite the fact that such a fee may merely reflect administrative costs. Reimbursement of such finance charges is specifically prohibited by FTR para. 2-6.2d. See Lawrence F. Roth, B-194203, May 7, 1979.

With regard to the title insurance premium, Mr. Murphy states that the holder of the second trust required that he obtain a title insurance policy. The record shows that Mr. Murphy purchased his residence in part by assuming an existing mortgage. This mortgage was already insured by a mortgage title policy which is a reimbursable expense under the Federal Travel Regulations. The title insurance policy Mr. Morgan purchased was an owner's title insurance policy. Reimbursement for this type of policy is specifically precluded by FTR para. 2-6.2d. Therefore, Mr. Murphy may not be reimbursed for the title insurance.

Accordingly, the additional \$677 disallowed by the agency may not be paid to Mr. Murphy.

for 
Comptroller General
of the United States