



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Michael J. Murphy - Reconsideration of Claim for
Reimbursement of Loan Origination Fee

File: B-232679.2

Date: August 29, 1989

DIGEST

Upon reconsideration, we affirm our prior decision that an employee may be reimbursed only a 1 percent loan origination fee rather than a 2.5 percent fee. Although initial fees and charges totalling 2.5 percent were customary in the locality based on a Federal Home Loan Bank survey, the survey included not only loan origination fees, but also discounts and points which are not reimbursable expenses.

DECISION

In this decision we reconsider the claim of Mr. Michael J. Murphy, an employee of the Internal Revenue Service, for reimbursement of a loan origination fee. For the reasons set forth below, we sustain our prior decision in Michael J. Murphy, B-232679, Nov. 14, 1988, which denied the employee's claim for reimbursement of a 2.5 percent fee and limited his reimbursement to 1 percent.

BACKGROUND

The facts, as more fully set forth in our prior decision, are that Mr. Murphy transferred from Philadelphia, Pennsylvania, to Washington, D.C., and purchased a residence at his new duty station. He sought reimbursement for a 2.5 percent loan origination fee he incurred in the purchase of his new residence, but the agency reimbursed him only an amount equal to a 1 percent loan origination fee. In our prior decision, we sustained the agency's determination since the 2.5 percent figure contained not only a loan origination fee which is reimbursable but also discounts and points which are not reimbursable.

In requesting reconsideration, Mr. Murphy states that he relied upon our earlier decision in Steven C. Krems, 65 Comp. Gen. 447 (1986), holding that employees could be

046350/1394 34

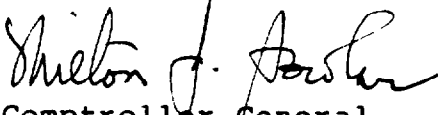
reimbursed for loan origination fees which Federal Home Loan Bank surveys showed were customary for their locality.

OPINION

As we stated in our prior decision in this case, our decision in Krems, supra, was overruled in part in Constant B. Chevalier, 66 Comp. Gen. 627 (1987), where we held that "fees" as reflected in a Federal Home Loan Bank survey of fees charged for financing in a particular area cannot be relied upon to establish the customary loan origination fee because not only are loan origination fees included in the fee, but also discounts and points which are not reimbursable expenses. See Federal Travel Regulations (FTR), para. 2-6.2d(2), which specifically provides that "[i]nterest on loan, points, and mortgage discounts are not reimbursable."^{1/}

Based on Chevalier, supra, we held that Mr. Murphy was not entitled to a 2.5 percent loan origination fee because the "initial fees and charges" as reflected in the survey he submitted included not only loan origination fees but also discounts and points which are not reimbursable.

Mr. Murphy has not provided any new evidence to support his claim for reimbursement of any additional amount as a loan origination fee, and mere disagreement with a previous decision of our Office is not a proper basis for reversal of a decision upon reconsideration. Where there is no new evidence to show that there was a material mistake of law or fact in a prior decision of this Office, we will reaffirm that decision. Phillip M. Napier, B-216938, Nov. 12, 1985.

for 
Comptroller General
of the United States

^{1/} Federal Travel Regulations (Supp. 4, Aug. 23, 1982), Incorp. by ref., 41 C.F.R. § 101-7.003 (1988). Subsequent to Mr. Murphy's transfer, the FTRs were amended to limit reimbursement of loan origination fees to 1 percent but to permit reimbursement in excess of 1 percent where the employee shows by clear and convincing evidence that (1) the higher rate does not include prepaid interest, points, or a mortgage discount and (2) the higher rate is customarily charged in that locality. FTR, para. 2-6.2d(1)(b) (Supp. 26, Dec. 21, 1987).