

DECISION

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

no log number

FILE: B-184626

DATE:

FEB 12 1976 98C/5

MATTER OF: Dean E. Taylor -- Claim for loan transfer fee incident to purchase of residence upon relocation.

DIGEST: Employee, upon relocation to new duty station, purchased a residence and claimed real estate expenses. Employee may not be reimbursed for loan transfer or loan assumption fee since it is regarded as finance charge under Truth in Lending Act and Regulation Z despite fact that fee merely reflects administrative costs.

This action is in response to the request for a decision by Mr. Orris C. Huet, an authorized certifying officer of the United States Department of Agriculture, as to whether he may certify for payment the reclaim voucher of Mr. Dean E. Taylor for a loan transfer fee incurred in connection with the purchase of a residence upon permanent change of duty station.

The record indicates that Mr. Taylor purchased a residence at his new duty station upon transfer from Lincoln, Nebraska, to Fort Worth, Texas, and claimed his real estate expenses. The administrative office denied Mr. Taylor reimbursement for a \$35 charge listed as a loan transfer fee on the basis that this is considered 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. Mr. Taylor argues that this loan transfer fee is not a finance charge but rather a charge for clerical fees and paper work involved in transferring the loan. He has also supplied a copy of a memorandum from the mortgage company which states: "The \$35 transfer fee is for the cost for changing our records from the purchasers name to your name."

Our Office has 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, despite the fact that such a fee merely reflects administrative costs. B-178433, June 4, 1973; B-175911, June 16, 1972; B-170737, November 17, 1970; B-168870, February 13, 1970; B-168359, January 2, 1970. Such a charge is incident to the extension of credit and is not excluded from the finance charge under the Truth in Lending Act or Regulation Z. B-181037, July 16, 1974.

B-184626

Accordingly, the voucher may not be certified for payment.

R.F.KELLER

Deputy } Comptroller General
of the United States