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DECISION



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

FILE: B-187363

DATE: December 21, 1976

MATTER OF: Bernard C. Zecha - Relocation Expenses

- DIGEST:**
1. Transferred employee was authorized to transport privately-owned automobile (POV) from old to new duty station. At request of employing agency, employee initially drove government-owned vehicle to new station, driving POV on subsequent trip. Mileage expenses for POV may be paid because transportation of government vehicle at agency request does not diminish entitlement granted in travel orders to transport POV.
 2. Employee, upon relocation, assumed outstanding loan on residence purchased at new station. Employee may not be reimbursed expense for loan transfer or loan assumption fee since it is regarded as finance charge under Truth in Lending Act and Regulation Z.

This action is in response to a request dated September 3, 1976 from Ms. Orris C. Huet, an authorized certifying officer of the Department of Agriculture, for an advance decision concerning payment of a voucher submitted by Mr. Bernard C. Zecha, an employee of the Animal and Plant Health Inspection Service, for reimbursement of transportation and residence transaction expenses incurred incident to a permanent change of station.

The record indicates that in December 1975, Mr. Zecha was transferred from Petaluma, California, to San Diego, California. A travel authorization dated November 21, 1975, gave Mr. Zecha permission to drive two privately owned automobiles to the new duty station. The file shows that the claimant's wife and two daughters traveled by privately-owned automobile from Petaluma to San Diego for which he was reimbursed \$70.08 for mileage. On December 8, 1975, the claimant departed from Petaluma, driving a government-owned vehicle, arriving at his new official station on December 9, 1975. Mr. Zecha drove the government-owned vehicle in lieu of his own automobile upon instructions from his employing agency since the government vehicle was needed by the

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agency at the new station for official travel. He returned to his old station and drove his privately-owned vehicle from Petaluma to San Diego on January 5-6, 1976. Mr. Zecha was initially reimbursed \$48.24 for mileage traveled in the privately owned vehicle between the old and new stations. This item was subsequently collected back from Mr. Zecha on the grounds that only one trip from the old to the new official station was reimbursable, and Mr. Zecha made that trip in the government vehicle. Mr. Zecha has reclaimed the mileage expense on the basis that he drove the government-owned vehicle for the convenience of his agency.

As noted above, Mr. Zecha's travel orders authorized him to drive his automobile from the old to the new duty station. That entitlement was not diminished by reason of transporting the government-owned vehicle to the new station at the request of his employing agency. In suspending the mileage claims, it was administratively stated that per diem and tolls were paid for Mr. Zecha's travel in the government vehicle. We note, however, that Mr. Zecha is not claiming such expenses for the second trip. Further, pursuant to Federal Travel Regulations (FPMR 101-7) para. 2-2.3b (May 1973), the allowance for mileage is in addition to allowances for tolls and per diem. Accordingly, if otherwise proper, Mr. Zecha may be reimbursed the claimed amount for mileage necessary to drive his privately owned vehicle to the new duty station.

Mr. Zecha is also reclaiming a transfer fee in the amount of \$601 paid to the Home Federal Savings and Loan Association in San Diego incident to the purchase of a residence at the new station. This item was administratively suspended on the grounds that a transfer fee is part of the finance charge under the Truth in Lending Act, Title I, Public Law 90-321, and Regulation Z issued pursuant thereto, and is therefore not reimbursable under FTR para. 2-6.2d (May 1973). In reclaiming this amount, Mr. Zecha has furnished a statement from Home Federal indicating that Mr. Zecha assumed an outstanding loan on the residence which he purchased and that the transfer fee "is charged for the transfer of title in the property from the seller to the buyer."

Our Office has long held that a loan transfer fee, or loan assumption fee is not reimbursable because it is incident to the extension of credit from the lender to the purchaser. Although such a fee may reflect some administrative costs, it is not excluded

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from the finance charge under the Truth in Lending Act or Regulation Z and therefore may not be reimbursed. B-184626, February 12, 1976.

Accordingly, action on the reclaim voucher should be taken in accordance with the foregoing.

R. J. K. Miller
Deputy Comptroller General
of the United States