

M. G. Blitel
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DECISION



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

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FILE: B-192593

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DATE: January 16, 1979

MATTER OF: Manuel L. Goodwin - Reimbursement of Relocation Expenses

- DIGEST: 1. Employee transferred to New York, New York, purchased condominium apartment in New Jersey on November 20, 1975. He claimed \$100 for attorney fees and \$325 for mortgage processing and closing fees, but was unable to obtain itemization of either amount. This portion of his claim is denied since decision in Matter of George W. Lay, 56 Comp. Gen. 561, is for prospective application only and may not be applied to settlements occurring prior to April 27, 1977. Under the rules applicable prior to Lay, itemization is required of both amounts and absent such itemization, these amounts may not be paid.
2. Employee transferred to New York, New York, purchased condominium apartment in New Jersey and submitted claim of \$196 for title insurance. Agency was advised that \$10 of this amount was attributable to mortgage insurance and \$186 was attributable to owner's insurance. Where a mortgage title policy and owner's title policy are purchased in a single transaction, the employee may be reimbursed for the cost of the mortgage insurance as if it had been purchased separately regardless of how the cost of the policies might actually have been apportioned. B-161459, November 23, 1977. Therefore, employee may be reimbursed for the cost of a separate mortgage title policy.

This action concerns a request for reconsideration of the claim of Mr. Manuel L. Goodwin, Jr., for real estate expenses incurred in connection with the purchase of a residence incident to a permanent duty transfer to New York, New York, as an employee of the Department of the Treasury. Mr. Goodwin's claim was disallowed by our Claims Division by settlement dated June 1, 1977.

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Mr. Goodwin was transferred from Washington, D.C., to New York, New York, and purchased a condominium apartment in New

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Jersey on November 20, 1975. He originally claimed reimbursement of \$100 for seller's attorney's fees, \$350 for mortgage processing and closing fees, and \$196 for title insurance. The agency attempted to obtain a breakdown on the \$100 attorney fees and the \$350 mortgage processing and closing fees, but except for \$25 attributed to credit checks, was unable to obtain a further breakdown. Mr. Goodwin was likewise unable to obtain an itemized statement. Accordingly, \$25 was paid and his claim for the remaining \$325 in mortgage processing and closing fees, and the \$100 in attorney fees was disallowed.

With regard to his claim for reimbursement of \$196 for title insurance, the agency was advised that only \$10 was attributable to coverage of the lender, and \$186 was attributable to owner's title insurance. Accordingly, \$10 was paid and \$186 disallowed. The Claims Division upheld the agency's determinations.

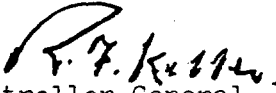
Mr. Goodwin has requested reconsideration and furnished additional evidence that the law firm has refused to give a further breakdown of the \$100 for attorney fees and the \$325 for mortgage processing and closing fees. He also asks if payment may be allowed pursuant to our decision in Matter of George W. Lay, 56 Comp. Gen. 561 (1977).

In the Lay case, we overruled previous cases which had disallowed reimbursement of attorney fees attributable to services which, under prior interpretations of the regulations, had been characterized as advisory. The requirement that an itemized statement be submitted was also relaxed since it was no longer necessary to distinguish advisory services from other allowable expenses, and the entire amount was payable so long as it was within the customary range of charges for an attorney's services in the locality of the residence transaction. However, since the Lay decision represents a substantial departure from previous interpretations of the Federal Travel Regulations, and involves the overruling of many precedents upon which reliance had justifiably been placed, it is for prospective application and may not be applied where the settlement date for the transaction is prior to the date of that decision. Mr. Goodwin's settlement occurred on November 20, 1975, and the Lay decision was issued on April 27, 1977. Therefore, the Lay decision is not for application in this case. 56 Comp. Gen. 566, supra;
B-190705, August 11, 1978.

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Under the rules applicable prior to the Lay decision, an itemized statement of the \$100 for attorney fees is required in order to distinguish reimbursable expenses from those which are not reimbursable. Itemization is likewise required with respect to the \$325 mortgage processing and closing fees. FTR para. 2-6.2c and .2d. In the absence of such itemization, these amounts may not be paid.

With respect to the claim of \$186 for title insurance, we note that where a mortgage title policy and owner's title policy are purchased in a single transaction, the employee may be reimbursed for the cost of the mortgage insurance as if it had been purchased separately, regardless of how the cost of the policies might actually have been apportioned. B-161459, November 23, 1977. Accordingly, Mr. Goodwin would be entitled to reimbursement for the cost of the mortgage insurance policy as if it had been purchased separately. A settlement will be issued in the amount found due.


Deputy Comptroller General
of the United States