

DECISION

Riedinger
**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548 *27737*

FILE: B-210918**DATE:** March 20, 1984**MATTER OF:** Daniel J. Price - Relocation
Expenses - Mobile Home Space Rental**DIGEST:**

Prior to a permanent change-of-station transfer, an employee purchased a mobile home to be used as his residence at old station. The purchase was covered by a promissory note and installment loan contract. Under its terms, title remained in seller until note was paid; the mobile home would remain in trailer park until note was paid; and purchaser would pay monthly space rental fee. Employee contends purchase agreement precluded him from moving trailer and claims reimbursement for cost of monthly space rental under FTR para. 2-6.2h for months following transfer. Employee has duty to avoid or minimize such expenses, if possible. Jeffrey S. Kassel, 56 Comp. Gen. 20 (1976). According to agreement, the balance due on note could be prepaid without penalty. Record does not show that employee made any attempt to pay off the remaining balance on the note, which would allow him to move the mobile home, or to take any other action that would have mitigated his costs. Therefore, reimbursement is not authorized.

This decision is in response to a request from the Finance Officer, National Park Service, Southeast Regional Office, on the question whether an employee may be reimbursed for mobile home space rental payments as a relocation expense item incident to a permanent change of station. The employee may not be reimbursed for the following reasons.

Mr. Daniel J. Price, an employee of the National Park Service, accepted a permanent change of station that required him to move from Gunnison, Colorado, to the Everglades National Park, Homestead, Florida, in February 1982. It appears that in May 1980, well before the transfer, Mr. Price purchased a mobile home in Gunnison and used it as his residence.

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The purchase agreement executed by him on May 5, 1980, provided, among other things, that the purchase price of the mobile home was secured by a promissory note to be paid in 36 monthly installments. Further, title to the mobile home would be retained by the seller until the promissory note was paid in full. An additional provision in the agreement was that the mobile home was to remain at the named mobile home park, "at all times during the life of this loan," and that Mr. Price was to pay the published monthly space rental (\$100), "for the life of this note and as long as the mobile home is parked," at the mobile home park.

Mr. Price contends that under the terms of the purchase agreement, he could not avoid the payment of the rental of the space because he could not move the mobile home when he transferred. Based on that, he asserts entitlement to be reimbursed for the space rental costs under the provisions of paragraph 2-6.2h of the Federal Travel Regulations, FPMR 101-7 (September 1981) (FTR).

We disagree with Mr. Price's analysis. Paragraph 2-6.2h of the FTR provides in part:

"h. Settlement of an unexpired lease. Expenses incurred for settling an unexpired lease (including month-to-month rental) on residence quarters occupied by the employee at the old official station may include broker's fees for obtaining a sublease or charges for advertising an unexpired lease. Such expenses are reimbursable when (1) applicable laws or the terms of the lease provide for payment of settlement expenses, (2) such expenses cannot be avoided by sublease or other arrangement, (3) the employee has not contributed to the expense by failing to give appropriate lease termination notice promptly after he/she has definite knowledge of the transfer, and (4) the broker's fees or advertising charges are not in excess of those customarily charged for comparable services in that locality. * * *

Under paragraph 2-6.1 of the same regulations, the above entitlement also includes settlement of an unexpired lease on a lot on which a mobile home was located and used by the employee as his residence at the old station.

While expenses incurred or losses suffered in connection with early termination of leases, or inability to terminate such leases may be reimbursed under paragraph 2-6.2h, implicit in those provisions is that the expenses incurred are reasonable and that the employee attempted to avoid their imposition, or at least attempted to minimize them. Jeffrey S. Kassel, 56 Comp. Gen. 20 (1976); and Edward J. Jason, B-186035, November 2, 1976. Compare Norman Mikalac, 62 Comp. Gen. 319 (1983).

In the present case, there is nothing in the record to show that Mr. Price took any action to avoid the continued imposition of the space rental costs, or to mitigate those costs in any way. There was no long term lease agreement for space rental. Such agreement as existed was only a month-to-month rental agreement, since the use of the space, and payment therefor, was only required for any month he still owed a part of the mobile home purchase price to the seller.

Although Mr. Price asserts as the basis for his claim that he was prevented from moving the mobile home at that time because of the terms of the purchase agreement, that is not quite correct. The only restriction on the movement of the mobile home was that it had to be completely paid for. Notwithstanding that general restriction, clause 2 of the purchase agreement specifically authorized Mr. Price to pre-pay amounts due on the note at any time, without penalty. Thus, one possible method of mitigating the costs would have been to at least attempt to pay off the remainder of the note prior to the transfer, take title to the mobile home and move it. Even if it is assumed that Mr. Price's financial circumstances would not permit him to redeem the note at that time, in view of the fact that the unpaid balance on the note diminished monthly, it is our view that at some point long before the last monthly installment came due, he could have accomplished the same result. In this regard, we understand that even after he completely paid off and redeemed the promissory note, in or approximately June 1983, he permitted his mobile home to simply remain at the park.

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An employee is always required to make a reasonable effort to minimize the expenses of terminating a lease. Jeffrey S. Kassel, supra. This duty continues even after an employee has reached his new duty station. Amilcare J. Ciarrocca, B-183018, January 8, 1976.

Accordingly, since there is no evidence that Mr. Price made any attempt to avail himself of the opportunity to secure legal title and move the mobile home, thereby avoiding or minimizing the imposition of the rent charge, or to take any other action to mitigate his costs, reimbursement is not authorized and the voucher will be retained here.

Milton J. Fowler
for Comptroller General
of the United States