

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20549

**FILE:** B-220289

**DATE:** February 28, 1986

**MATTER OF:** Patrick G. Collins - Real Estate  
Title Requirements

**DIGEST:**

A transferred employee who provided part of the funds to purchase a residence at his new duty station arranged to have title placed in a friend's name at the time of the purchase. Although the employee subsequently married his friend and acquired joint ownership of the residence, his claim for real estate purchase expenses may not be allowed. He did not meet the requirement of the applicable regulations that title to the residence purchased be in the name of the employee or a member of his immediate family.

The issue in this matter is whether a transferred Federal employee may be allowed costs incurred in the purchase of a residence at his new duty station even though neither he nor any member of his immediate family acquired title to the residence in the purchase transaction.<sup>1/</sup> In light of the applicable provisions of statute and regulation we conclude that the employee's claim may not be allowed.

Background

In June 1983 Mr. Patrick G. Collins was transferred from a position with the Interstate Commerce Commission in Indianapolis, Indiana, to a position with the Department of the Air Force in Dayton, Ohio. The Air Force, as the receiving agency, undertook the responsibility for his relocation expenses and issued a travel authorization to

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<sup>1/</sup> This action is in response to a request for an advance decision from the Accounting and Finance Officer, 2750 Air Base Wing, Wright-Patterson Air Force Base, Ohio. The request was forwarded here by the Per Diem, Travel and Transportation Allowance Committee after it was approved and assigned Control Number 85-30.

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him. Together with other relocation expenses he was authorized reimbursement of real estate purchase expenses.

On August 16, 1984, Mr. Collins' friend purchased a house in Dayton. Part of the funds used to purchase the residence were furnished by Mr. Collins. Subsequently, on September 13, 1984, the friend executed a quit claim deed giving Mr. Collins an undivided one-half interest in the Dayton residence. The employee then filed claim in the amount of \$1,245.55 for reimbursement of the buyer's expenses associated with the August 16, 1984 purchase, including a loan origination fee, amounts paid for a mortgage title policy, an appraisal fee, legal and related costs, etc. The Air Force disallowed his claim for the reason that neither he nor any member of his immediate family acquired title to the property at the August 16, 1984 purchase.

Mr. Collins has questioned the correctness of the denial of his claim. He explains that in August 1984 he and his wife were involved in divorce proceedings, and he had received legal advice to the effect that his wife would acquire dower rights in any real estate he might purchase prior to the issuance of the final decree of divorce. Consequently, at the time of its purchase in August 1984, he arranged to have the title of the house in Dayton placed in the name of his friend. His friend gave him a one-half interest in the property a month later, and they were married in February 1985, after his divorce became final. He suggests that his claim should be allowed in these circumstances.

#### Analysis and Conclusion

The statutory authority for reimbursing a transferred Federal employee for expenses incurred in the sale and purchase of residences at the old and new duty stations is contained in 5 U.S.C. § 5724a(a)(4). The implementing regulations spell out the title requirements for such transactions. Those regulations provide that title must be "in the name of the employee alone, or in the joint names of the employee and one or more members of his/her immediate family, or solely in the name of one or more members of

his/her immediate family."<sup>2/</sup> The regulations define "immediate family" in terms of a spouse, child, or other named dependent who bears that relationship to the employee at the time he reports to his new duty station.<sup>3/</sup> We have consistently held that the title requirements of the regulations are not satisfied if, at the time of the purchase for which reimbursement is claimed, title is not in the name of the employee or a member of the employee's immediate family.<sup>4/</sup> This is so even where it appears that the employee may have furnished funds used to pay for the residence.<sup>5/</sup>

In the present case, the employee claims reimbursement of expenses related to the purchase of a residence that occurred on August 16, 1984, but he indicates that he arranged to have title to the residence placed in the name of a person who was not a member of his immediate family. In our view this did not satisfy the title requirements of the regulations. We view it as immaterial that the employee may have furnished some of the funds used to purchase the residence in August 1984, that he may have acquired joint ownership of the residence at some later time and that he subsequently married the person with whom he held joint title. The fact remains that neither he nor any member of his immediate family acquired title to the residence through the purchase for which he now claims reimbursement. The regulations plainly preclude reimbursement of expenses for the purchase of a residence when neither the employee nor a member of the employee's immediate family acquires title,

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<sup>2/</sup> Federal Travel Regulations (FTR), para. 2-6.1c (Sept. 1981), incorp. by ref., 41 C.F.R. § 101-7.003. See also vol. 2 (2 JTR), para. C14000-1(2).

<sup>3/</sup> FTR, para. 2-1.4d. See also 2 JTR, App. D (definition of "dependent").

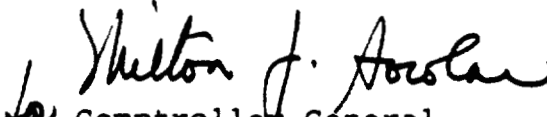
<sup>4/</sup> See, e.g., Carl A. Gidlund, 60 Comp. Gen. 141 (1980), affirmed B-197781, September 8, 1982; Adele K. Kauth, B-197929, March 25, 1981; Reverend Richard A. Houlihan, B-192583, March 14, 1979; and David R. Taylor, B-189768, June 15, 1978.

<sup>5/</sup> See James G. Gasque, B-183048, May 13, 1976.

B-220289

and those regulations provide no exception for arrangements of the sort presented here.

Accordingly, we disallow the employee's claim.

*for*   
Comptroller General  
of the United States