



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Anthony D. Ferris
File: B-237507
Date: March 30, 1990

DECISION

A decision was requested by Mr. G. J. Pellon, Authorized Certifying Officer, Internal Revenue Service - Southeast Region, Department of the Treasury, to reconsider Claims Group Settlement Z-2861560, Sept. 12, 1989, in the case of Mr. Anthony D. Ferris.

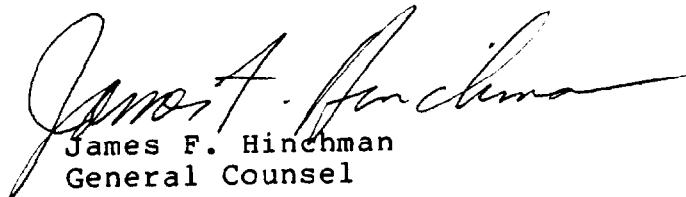
The Claims Group settlement authorized payment of a loan origination fee to Mr. Ferris for \$3,777.75 (2-1/4 percent), as opposed to \$1,679 (1 percent), paid by the agency. The increased payment was based on information received from the Department of Housing and Urban Development that the full loan origination fee charged was customary for conventional loans in the locality of the residence in October 1988.

In decision, Wayne Pfeffer, B-234288, Feb. 8, 1990, we ruled that, under a revision to the Federal Travel Regulations, paragraph 2-6.2d(1)(b) (Supp. 26, effective Oct. 1, 1987), an employee to be reimbursed for a loan origination fee in excess of 1 percent of the loan amount must show by clear and convincing evidence, including an itemization of the lender's administrative costs, that the higher rate does not include prepaid interest, points, or a mortgage discount.

In this case, Mr. Ferris has furnished a letter from the lender stating that the loan origination fee "consists of charges for the administration of the loan and does not include discount points and/or interest." However, he did not furnish an itemization of the lender's administrative costs specifying what charges the fee covered. Where the employee seeks more than 1 percent, the revised regulation requires more than a mere general statement from the lender; it requires an itemized statement of administrative charges. See Pfeffer, supra. Where such itemization is not furnished, the employee may not be reimbursed more than 1 percent.

C48177/jh1036

Accordingly, we sustain the agency's disallowance of
Mr. Ferris's claim.



James F. Hinchman
General Counsel