



Office of the General Counsel

B-240555.3

May 16, 1994

Mr. Larry A. Tucker  
Chief, Regulatory Policy Branch (FBXR)  
General Services Administration  
Washington, D.C. 20406

Dear Mr. Tucker:

We refer to your letter of March 1, 1994, in which you forwarded for our comment a proposed final rule amending the Federal Travel Regulation (FTR), 41 C.F.R. chapters 301-304. The FTR amendment would allow reimbursement for residence transaction expenses based on a transferred employee's equitable ownership in his/her residence.

As you are aware, this Office has suggested the proposed changes because of inequities that are caused in those cases where it is necessary for the employee to obtain an accommodation endorser to assist the employee in obtaining financing. Although accommodation endorsers acquire no interest in the property so long as the employee makes all of the mortgage payments, the accommodation endorser's name appears on the title to the property and thereby prevents the employee from receiving full reimbursement under the FTR as currently written. We believe that this creates an unfair result not required by 5 U.S.C. § 5724a(a)(4) (1988). Similarly, inequities have been caused in other cases by the current title requirements of 41 C.F.R. § 302-6.1(c) (1993). The proposed amendment would eliminate these inequities.

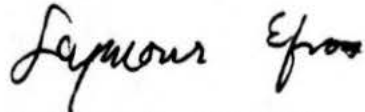
In addition to the accommodation endorser provision, the FTR amendments would permit 100 percent reimbursement of real estate expenses under 5 U.S.C. § 5724a(a)(4), in those cases where title to the residential property is held (1) in trust for the employee's benefit; (2) in the name of a financial institution pursuant to state law; (3) by the seller under a financial arrangement for periodic payments by the employee and transfer of title upon completion of the payments; and (4) jointly by the employee and others who are not members of the employee's immediate family under specified conditions.

We have carefully examined your proposed amendments and we concur in their publication. We also agree with the conclusion reached in your letter that the issue of pro rata

reimbursement of residence expenses based on the extent of an employee's actual financial interest in the residence would be administratively burdensome to implement. Therefore, we withdraw our suggestion.

We thank you for the opportunity to comment on the proposed amendments.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert P. Murphy".

Robert P. Murphy  
Acting General Counsel

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**DIGEST**

Chief, Regulatory Policy Branch, GSA, is advised that GAO concurs in proposed amendments to Federal Travel Regulation (FTR), to be published as a final rule. The FTR amendments would permit 100 percent reimbursement of real estate expenses under 5 U.S.C. § 5724a(a) (4), in those cases where title to the residential property is held (1) in trust for the employee's benefit; (2) in the name of a financial institution pursuant to state law; (3) in the name of an accommodation party; (4) by the seller under a financial arrangement for periodic payments by the employee and transfer of title upon completion of the payments; and (5) jointly by the employee and other who are not members of the employee's immediate family under specified conditions. The employee will be fully compensated in those equitable title situations provided he or she furnishes acceptable documentation to the employing agency.