



Office of the General Counsel

B-246809.2

September 22, 1993

Mr. Claude F. Pickelsimer, Jr.  
Director, Financial Management Office  
Centers for Disease Control  
Department of Health & Human Services  
Atlanta, Georgia 30333

Dear Mr. Pickelsimer:

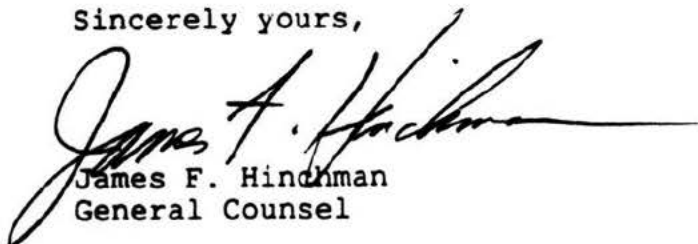
This further replies to your letter of March 18, 1993, concerning whether Mr. [redacted], an employee of the Centers for Disease Control may be reimbursed for a loan origination fee of more than 1 percent of the loan amount. In support of his claim, Mr. [redacted] furnished a letter from his lender which states the types of services for which the fee was charged and states that the fee was not an interest rate buy down or a discount fee. You note that the costs attributable to each service are not specified and the fee, although customary in the area, is also negotiable. You ask whether this lender's statement meets the requirements of applicable regulations for reimbursement of a loan origination fee in excess of 1 percent of the loan amount.

As you know, in our letter to you, B-251556, March 31, 1993 (copy enclosed), concerning another employee's claim, we discussed the purpose of the itemization requirement as applied in [redacted], B-246809, Mar. 31, 1992, a previous case in which we found that a similar statement from a lender did not meet the itemization requirement in section 302-6.2(d)(1)(ii) of the Federal Travel Regulation (FTR) for loan origination fees exceeding 1 percent. As we held in the [redacted] case, "A mere listing of the categories of costs considered to be covered by the loan origination fee has not been considered to be clear and convincing evidence of the lender's administrative charges for a particular loan."

The letter furnished by the lender in Mr. [redacted] case is a mere listing of the categories of costs considered to be covered by the loan origination fee, and does not amount to an itemization of the administrative charges involved in the fee; thus, Mr. [redacted] reimbursement must be limited to

1 percent of the loan amount, as prescribed by section 302-6.2(d)(1)(ii) of the FTR. See also, B-250432, Mar. 3, 1993; B-239888, Nov. 16, 1990, and B-239343, Oct. 11, 1990, copies enclosed.

Sincerely yours,



James F. Hinchman  
General Counsel

Enclosures