

DECISION



25311
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-206619

DATE: June 1, 1983

MATTER OF: Roger L. Flint - Real Estate Expenses -
Trade of Former Residence as Downpayment

DIGEST:

Transferred employee traded a former residence as downpayment on purchase of residence at new official station. (He seeks reimbursement of \$163 premium paid for title insurance on property traded as a downpayment.) Title insurance is generally reimbursable to a seller under the provisions of FTR para. 2-6.2c. However, since employee did not obtain the title insurance on his residence at his old duty station at time of transfer but on a former residence, he is not entitled to reimbursement of the fee paid for title insurance under "total financial package" concept enunciated in Arthur J. Kerns, 60 Comp. Gen. 650 (1981), and subsequent similar decisions.

This decision is in response to a request by Mr. Ronald J. Boomer, an authorized certifying officer, United States General Services Administration (GSA), as to whether he may certify for payment a reclaim voucher submitted by Mr. Roger L. Flint, an employee of the agency. The voucher is for reimbursement of the premium of \$163, paid by Mr. Flint for title insurance on real property traded as the downpayment on a residence he purchased at his new duty station. For the reasons hereafter stated, the cost of the title insurance in the sum of \$163, may not be certified for payment.

The record discloses that by travel authorization dated October 8, 1980, Mr. Flint was officially transferred from Brunswick, Georgia, to Auburn, Washington. The employee reports that while living in Georgia, he was renting a residence and consequently did not have a residence he could sell in order to obtain funds to pay the downpayment on the property located in Puyallup, Washington. After his transfer, Mr. Flint was renting the Puyallup property. Subsequently, the owner of the rental property

025749

decided to sell it. Since Mr. Flint needed a home for his wife and dependent father, he states that he offered the property he owned in Whitefish, Montana, as the downpayment on the Puyallup residence. The employee had occupied the Montana property as a residence in 1969 while working for the U.S. Forest Service and had subsequently leased it. In selling the Puyallup property, the owner accepted the Montana property, valued at \$30,000, as the full downpayment. In conveying the Montana property, Mr. Flint purchased the title insurance at a cost of \$163. Mr. Flint further reports that he lost his position with the Forest Service in a reduction in force and had been unable to sell the Montana property, which is located in a rural area. He was subsequently employed by GSA and moved to San Francisco, California. In 1977, he was transferred to Glynnco, Georgia, in connection with a transfer of function.

The GSA disallowed Mr. Flint's claim because no authority was found in the Federal Travel Regulations, FPMR 101-7 (May 1973) (FTR) for reimbursement of expenses associated with a transfer of property as a downpayment. ✓

Generally, the cost of title insurance is reimbursable as a legal and related expense under the provisions of FTR para. 2-6.2c, to an employee incident to the sale of a residence. In this connection, GSA, the agency involved in this claim, has determined that the title insurance fee of \$163 is reasonable in amount and would normally have been paid by Mr. Flint as a seller in the sales transaction under consideration. (However, although the premium paid for title insurance is generally reimbursable, the specific question presented here is whether the trade-in of the Montana property, as the downpayment on the Puyallup residence, may be considered as part and parcel of the "total financial package" put together to enable Mr. Flint to purchase the Puyallup property. Our reply is in the negative.)

The common thread, the common denominator, present in our recent decisions in this area, namely, Arthur J. Kerns, 60 Comp. Gen. 650 (1981); Robert L. Hengstebeck, B-200083, September 29, 1981; Leland D. Pemberton, B-200167, September 21, 1982, 61 Comp. Gen. _____; and James R. Allerton, B-206618, March 8, 1983, is that the financial transactions involved in each of the cited decisions, i.e., a second mortgage, a release of liability, deeds of trust, and a new mortgage, were secured by the employee's interest in his residence at his old duty station or his residence at his new duty station at the time of the transfer. See Allerton, cited above. Since the employee, in most

instances, must sell his old residence or secure a second mortgage on the old or new residence in order to purchase a residence at his new official station, we viewed the financial transactions, each of which involved the employee's security interest in his residence at his old or new duty station as being, in reality, one total financial package.

The claim before us is distinguishable from the principle initially enunciated in the Kerns case. The cost incurred by Mr. Flint in the purchase of title insurance was incident to the trade-in of the Montana property as the downpayment on the purchase of the Puyallup residence.) The utilization of property as a downpayment has been recognized by this Office, for purposes of reimbursement, as a valid financial transaction and tantamount to a cash payment. B-166419, April 22, 1969. We have also approved the trade-in of a house trailer as part of the downpayment on a residence purchased by an employee. B-168123, December 9, 1969. But here, the premium paid for the title insurance, while otherwise reimbursable, was incurred in connection with the trade-in of the Montana property, a former residence, but not the residence of Mr. Flint at the time of his official transfer to Auburn, Washington.)

In this regard, FTR para. 2-1.4i, in describing a residence in connection with reimbursement of real estate expenses, defines official station or post of duty as the residence or other quarters from which the employee regularly commutes to and from work. Robert C. Kelly, B-189998, March 22, 1978. Mr. Flint's former residence (the Montana property) was neither located at his old official station in Glynco, Georgia, or at his new official station in Auburn, Washington, nor did he commute on a daily basis from the Montana residence to his old official duty station in Glynco. Further, the Montana property was not Mr. Flint's residence at the time he was first definitely informed by competent authority that he was to be transferred to his new official station in Auburn, Washington.) FTR para. 2-6.1d; B-177583, February 9, 1973.

Accordingly, and utilizing the "total financial package" concept enunciated in Kerns and our subsequent similar decisions, there is no authority to permit reimbursement to Mr. Flint of the cost of the title insurance

incurred in connection with the trade-in of the Montana property as the downpayment on the Puyallup residence at his new official duty station. The reclaim voucher may not be certified for payment.

for *Milton J. Fowler*
Comptroller General
of the United States