



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Steven B. Love

File: B-257892

Date: January 25, 1995

DIGEST

A transferred employee claims reimbursement for a mortgage insurance application fee and a mortgage insurance fee because they were required by the lender. The claim is denied. The Federal Travel Regulation, 41 C.F.R. § 302-6.2(d)(2)(i) (1992), specifically prohibits reimbursement of this type of charge.

DECISION

The Corps of Engineers, Department of the Army,¹ requests a ruling on the question as to whether an employee may be reimbursed the expense of a mortgage insurance application fee and a mortgage insurance fee incurred when he purchased a residence incident to his transfer in April 1992. The claim may not be paid for the following reasons.

Mr. Steven B. Love, an employee of the Department of the Army, was transferred from Fort A.P. Hill, Virginia, to Fort Belvoir, Virginia. He purchased a residence in Fredericksburg, Virginia, and was required to pay, among other residence purchase expenses, a mortgage insurance application fee (\$1,408) and a mortgage insurance fee (\$195.99). The certifying officer disallowed these items at voucher settlement. Mr. Love has appealed that action, arguing that since the insurance was required by the lender for the lender's protection, the required fees should be reimbursed to him.

Section 302-6.2(d)(2)(i) of the Federal Travel Regulation (FTR),² provides, in part, that "mortgage insurance", i.e., insurance which protects the lender against possible default by the purchaser/borrower over the lifetime of the loan, is not a reimbursable real estate

¹Mr. James S. Turkel, Acting Chief, Real Estate Division, Civil Projects Support Branch, Baltimore District.

²41 C.F.R. § 302-6.2(d)(2)(i) (1992); 2 JTR C14002, para. 1.d(2)(1).

expense.³ This includes the mortgage insurance application fee as well, since it relates to the investigation required to be undertaken to determine the risk of that possible defalcation.

The fact that the expense was incurred as a lender's requirement is immaterial since the FTR expressly lists mortgage insurance as a nonreimbursable item. The FTR has the force and effect of law, and this Office may not waive or modify its provisions in individual cases.

Accordingly, the action taken by the certifying officer disallowing the claim is sustained.

Robert P. Murphy
General Counsel

³Bruce B. Wheeler, B-249621, Jan. 19, 1993, and decisions cited. See also James A. Holmes, B-241986, Aug. 15, 1991.