



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-233991

January 19, 1989

Mr. Charles U. Tretler
Acting Chief, Appropriations Branch
United States Customs Service
National Finance Center
P.O. Box 68902
Indianapolis, Indiana 46268

Dear Mr. Tretler:

This is in response to your letter dated December 21, 1988 (file reference FIS-8:CM:F:N:A:T RD), concerning the real estate expense claim of Mr. , a U.S. Customs Service employee.

You say that Mr. , who was transferred to a new duty station, applied for a mortgage loan on the purchase of a residence at his new duty station. Incident to that loan application, he paid a total of \$5,415 as a purchase deposit and loan processing fee. The lender declined the loan and refunded all money except for the \$715 processing fee.

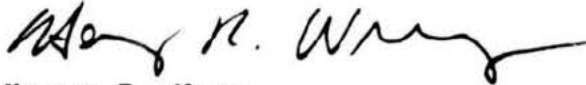
You say further that Mr. claim for reimbursement of the processing fee was disallowed by the Customs Service based on paragraph 2-6.1c of the Federal Travel Regulations and our decision B-168857, Feb. 4, 1970, which held that real estate purchase expenses may only be reimbursed where the property purchase is consummated and the property is titled in the name of the employee or member of his immediate family.

We agree with your view that Mr. claim should be disallowed based on our decision in B-168857, supra. We also point out that our decision has been consistently

followed and applied. See . B-210566,
Mar. 22, 1983. See also, , 57 Comp.
Gen. 669 (1978), regarding the disallowance of other
expenses associated with unconsummated real estate
transactions.

Copies of these decisions are enclosed for your reference.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Henry R. Wray". The signature is fluid and cursive, with a long horizontal stroke at the end.

Henry R. Wray
Senior Associate General Counsel

Enclosures