

**DECISION**

24582  
**THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548**

**FILE:** B-210566**DATE:** March 22, 1983**MATTER OF:** Paul M. Foote**DIGEST:**

A transferred employee incurred expenses for a credit report and appraisal in connection with his attempt to purchase a residence at his new duty station. The employee was unable to purchase the residence since the lending institution rejected his application for a mortgage loan. Claim for the cost of the credit report and appraisal are disallowed because only expenses incurred incident to completed residence sale or purchase transactions are reimbursable real estate expenses.

This action is in response to a request for an advance decision from Ms. Anita R. Smith, an authorized certifying officer of the Department of Agriculture. Ms. Smith asks whether Mr. Paul M. Foote, an employee of the Department, may be authorized reimbursement in the amount of \$133 for the costs of a credit report and appraisal fees in connection with the attempted purchase of a residence at his new duty station incident to his transfer from Hyattsville, Maryland, to Kansas City, Missouri. The employee is not entitled to reimbursement for the claimed expenses since such expenses were not incident to a consummated purchase of a residence at the new official station as is contemplated by the applicable provision of the Federal Travel Regulations.

The record shows that Mr. Foote who had been authorized payment of relocation expenses in connection with his change of permanent duty station incurred the expense of an appraisal fee and a credit report in connection with the purchase of a residence at his new duty station. Mr. Foote was unable to consummate the purchase of the residence in question due to the lending institution rejecting his application for a mortgage loan. The Department disallowed his claim for reimbursement of these expenses on the basis that the expenses were not incurred in the consummated purchase of a residence.

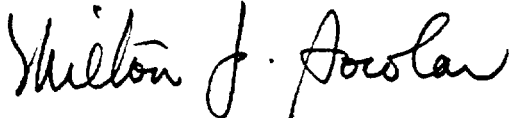
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Under the statutory authority found in 5 U.S.C. § 5724a(a)(4), paragraph 2-6.1 of the Federal Travel Regulations (FPMR 101-7) (September 28, 1981) provides for the reimbursement of an employee for the expenses required to be paid by him in connection with the "sale" of one residence at his old official station and for the "purchase" of one dwelling at his new official duty station. We have held that under this provision and the antecedent regulation formerly set forth at section 4.1 of Bureau of the Budget Circular No. A-56 only expenses incurred incident to a completed real estate sale or purchase transaction may be reimbursed. See B-168857, February 4, 1970, and Matter of Pupo, B-187848, August 23, 1977, and decisions cited therein.

Mr. Foote states that he should be reimbursed for the claimed expenses on the basis that in the decisions cited above the failure to complete the sale or purchase of a residence was the result of the voluntary action of the employee concerned whereas in his case the purchase was unconsummated due to the rejection of his loan application by the lending institution. However, as stated above, the result in these decisions was based on paragraph 2-6.1 of the Federal Travel Regulations and the antecedent regulation in section 4.1 of Circular A-56 which contemplate reimbursement for the expenses incurred in connection with a completed sale or purchase of a residence. The matter as to whether the failure to consummate the real estate transaction was the result of a voluntary decision by the employee was not a relevant consideration in those prior cases. We note that in the former case the record did not indicate the reason that the real estate purchase in question was not completed and in the latter case the failure to complete the sale of the residence was apparently in part due to circumstances beyond the employee's control (unfavorable market conditions). Accordingly, the fact that the failure to complete the purchase of the residence was not the result of a voluntary decision or action by Mr. Foote does not provide a basis to allow him reimbursement for the claimed expenses of the credit report and appraisal incurred in connection with the unconsummated purchase of a residence.

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In accordance with the above, Mr. Foote's claim may not be allowed.

for   
Comptroller General  
of the United States