



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Norman E. Browne
File: B-238023
Date: February 22, 1990

DECISION

Mr. Browne is a transferred employee who purchased a residence near his new duty station on November 30, 1987, and was charged a 2-1/2 percent loan origination fee. The agency limited reimbursement to 1 percent based on the fact that the lender did not itemize its administrative charges, nor was there documentation to show that amounts greater than 1 percent were reasonable and customary in the locality. Mr. Browne has appealed that disallowance.

In a recent decision, Wayne Pfeffer, B-234288, Feb. 8, 1990, we ruled that under a revision to the Federal Travel Regulations, para. 2-6.2d(1)(b) (Supp. 26, effective October 1, 1987), in order for an employee to be reimbursed for a loan origination fee in excess of 1 percent of the loan amount, he must show by clear and convincing evidence, including an itemization of the lender's administrative costs, that the higher rate does not include prepaid interest, points, or a mortgage discount. In addition, the higher rate must be shown to be a rate customarily charged in the locality of the residence.

In this case, Mr. Browne did not furnish an itemization of the lender's administrative costs which would specify what charges the additional 1-1/2 percent fee covered. Where such itemization is not furnished, the employee may not be reimbursed the additional expense, regardless of the efficacy of any other supporting evidence. Accordingly, we sustain the disallowance of Mr. Browne's claim.


James F. Hinchman
General Counsel

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