



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

March 17, 2011

CBCA 2207-RELO

In the Matter of ELIZABETH M. HARRIS

Elizabeth M. Harris, McCordsville, IN, Claimant.

Judy Hughes, Standards and Compliance, Finance Mission Area, Defense Finance and Accounting Service, Department of Defense, Columbus, OH, appearing for Department of Defense.

McCANN, Board Judge.

In July 2009, claimant, Elizabeth M. Harris, received permanent change of station orders. These orders transferred her from Defense Finance and Accounting Service (DFAS) Columbus, Ohio, to DFAS Indianapolis, Indiana. She was authorized to be reimbursed for the transactional expenses involved in selling her residence in Ohio and buying a home in Indiana. Ms. Harris had her Ohio house appraised for the purpose of determining the asking price. Subsequently, she sold the house, and the buyer also got an appraisal for the purpose of obtaining a mortgage loan. Ms. Harris claims she is entitled to reimbursement for the \$300 cost of her appraisal. DFAS denied her claim on the grounds that the regulations only provide for reimbursement of an appraisal when obtaining such an appraisal is customary in the locale. DFAS has indicated that reimbursement for an appraisal to determine the asking price of a home is not usual or customary at the old duty station, and Ms. Harris has not alleged otherwise.

Discussion

The Federal Travel Regulation (FTR) and the Joint Travel Regulations (JTR) do not allow for reimbursement of an appraisal unless it is customarily obtained in the locality where the property is located. Section 302-11.200 of the FTR states: "Provided that they are

customarily paid by the seller of a residence at the old official station . . . your agency will pay the following expenses: . . . (b) the customary cost for an appraisal”. 41 CFR 302-11.200 (2009) (emphasis added). The JTR similarly addresses recovery:

C5756 ALLOWABLE EXPENSES FOR SALE OR PURCHASE OF RESIDENCE

A. Reimbursable Expense

....

2. Other Advertising and Selling Expenses. . . . Customary costs of appraisal also are reimbursable.

C5759 REIMBURSEMENT FOR RESIDENCE SALE OR PURCHASE CLOSING COSTS (FTR §302-11.301 and 302)

....

C. Review and Approval of Reasonable Charges

1. Official Responsible for Review. An official designated by the commanding officer of an activity must review the expenses claimed and the supporting documentation. The reviewing official must determine that the expenses claimed are:

a. Reasonable in amount, and

b. Customarily paid by the seller or buyer (as appropriate) in the locality where the property is located.

JTR C5659-C.1b clearly disallows the cost of her appraisal because such a cost is not customarily paid by the seller.

Claimant points to two cases in support of her position, *Albert L. Van Tuinen*, GSBCA 14492-RELO, 98-2 BCA ¶ 30,091, and *Terry L. Hood*, GSBCA 16061-RELO, 03-2 BCA ¶ 32,314, decided by this Board’s predecessor in considering these matters, the General Services Board of Contract Appeals. Unfortunately, neither case supports her. In *Van Tuinen*, the board did find that a similar appraisal was reimbursable. However, that case was decided prior to the change in the FTR which added the above-quoted language in

302-11.200, tying the “customary” requirement to the “paid by the seller” requirement. Correspondingly, in *Hood* the board found that, with regard to the “valuation fee” in issue, “Mrs. Hood has established that it was customary for a seller in her area to make [such] a contribution . . . towards a purchaser’s closing costs.” Accordingly, in coming to its conclusion, the board followed FTR 302-11.200, which had become effective by that time. Ms. Harris’ claim is denied.

R. ANTHONY McCANN
Board Judge