



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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April 29, 2011

CBCA 2286-RELO

In the Matter of JASON RUYBAL

Jason Ruybal, Sheridan, WY, Claimant.

Terre Duffy, Travel Section, National Finance Center, Department of Agriculture, New Orleans, LA, appearing for Department of Agriculture.

**BORWICK**, Board Judge.

The Board grants the claim of claimant, Mr. Jason Ruybal, for reimbursement of \$959 for the owner's title insurance premium incurred in selling his residence incident to claimant's permanent change of station (PCS) authorized by the agency, the Department of Agriculture.

Background

The agency transferred claimant in the interest of the Government from Fort Collins, Colorado, to Sheridan, Wyoming, with a duty reporting date of October 12, 2010. The agency granted claimant reimbursement of real estate transaction expenses. Incident to his transfer, claimant sold his house near Fort Collins. Claimant, as part of his real estate transaction expenses, sought reimbursement of \$959 for an owner's title insurance policy premium. That figure was included in line 507 of the settlement sheet, which was listed as a "reduction in the amount due seller." Line 1103, however, shows that same \$959 for owner's title insurance premium was listed in the column "paid from borrower's [the purchaser's] funds at settlement." Line 1104 of the settlement sheet shows that as part of the settlement, lender's title insurance of \$340 was also paid.

The agency's voucher approving official at its National Finance Center (NFC) suspended payment of the \$959 insurance premium on the sole ground that it was unclear whether the buyer or seller paid the premium. From that determination, claimant filed a

claim at this Board. The agency does not contest that the owner's title insurance was a prerequisite for financing the transaction or transfer of the property.

In response to the Board's inquiry, the agency, through its administrative officer (AO) at the claimant's duty station, confirms that the \$959 owner's title insurance premium was paid by the claimant. The title agency for the transaction states by letter that the claimant paid the owner's title insurance. Both the realtor and the title agency confirm that payment of owner's title insurance is customarily paid by the seller as a condition of sale in the state of Colorado.

### Discussion

The FTR provides in pertinent part:

What residence transaction expenses will my agency pay?

Provided that they are customarily paid by the seller of a residence at the old official station or by the purchaser of a residence at the new official station, your agency will pay the following expenses:

. . . .

(f) The following "other" miscellaneous expenses in connection with the sale and/or purchase of your residence, provided they are normally paid by the seller or the purchaser in the locality of the residence, to the extent that they do not exceed specifically stated limitations, or if not specifically stated, the amounts customarily paid in the locality of the residence:

. . . .

(9) Owner's title insurance policy, provided it is a prerequisite to financing or the transfer of the property; or if the cost of the owner's title insurance policy is inseparable from the cost of other insurance which is a prerequisite[.]

41 CFR 302-11.200 (2010). In addition, the FTR states:

What residence transaction expenses will my agency not pay?

Your agency will not pay:

...

(c) Owner's title insurance policy, "record title" insurance policy, mortgage insurance or insurance against loss or damage of property and optional insurance paid for by you in connection with the purchase of a residence for your protection.

41 CFR 302-11.202.

In this case the claimant and the agency AO at claimant's duty station have demonstrated that claimant as seller paid the premium for the owner's title insurance and that the seller's payment of the premium is customary as a condition of sale in Colorado. The agency does not contest that claimant met the FTR's additional requirements for payment of the owner's title insurance premium. The Board, therefore, grants the claim.

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ANTHONY S. BORWICK  
Board Judge