



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

November 29, 2011

CBCA 2606-RELO

In the Matter of TERRENCE ROBERTS

Terrence Roberts, Madison, AL, Claimant.

Judith A. Fishel, Office of the Command Counsel, United States Army Materiel Command, Department of the Army, Fort Belvoir, VA, appearing for Department of the Army.

VERGILIO, Board Judge.

When an employee purchases a home, the Government does not reimburse the employee for real estate transaction expenses paid for by the seller, or for county property taxes, deposits, or down payments paid by the employee. Reimbursement for owner's title insurance policy costs are denied when regulatory thresholds are not met.

The claimant, Terrence Roberts, a civilian employee of the Department of Defense (agency), seeks review of his claim for real estate transaction costs incurred in the purchase of a new home in connection with a change of duty station within the continental United States. The agency had authorized real estate expenses for the transfer with a reporting date in March 2010. With appropriate, well-explained analysis, the agency correctly decided the claim.

The claimant seeks reimbursement for various costs identified in connection with the purchase of a residence at the new duty station. Fees for recording (\$82), appraisal (\$425), flood certification (\$15), final inspection (\$100), a credit report (\$49.75), transfer taxes (listed twice) (\$612), an origination charge (\$4050), and settlement or closing fees (\$660) were ultimately paid by the seller at closing. As the agency determined, the agency does not reimburse for such costs. Joint Travel Regulations (JTR) C5750-H.1 ("An employee is reimbursed only for expenses actually incurred and paid by the employee/dependent(s). If

any expenses were shared by persons other than the employee/dependent(s), reimbursement is limited to the portion actually paid by the employee and/or dependent(s).”).

Under applicable regulations, as the agency concluded, county taxes (\$212.61) and escrow fees (\$1706.29) for home owner’s insurance and property taxes are not reimbursable. JTR C5756-A.4.b. Further, a down payment (\$5000) and a builder deposit (\$4884.33), which are part of the equity in the purchase, are not reimbursable items.

The agency has reimbursed the claimant for the portion of the lender’s title insurance required by the lender and paid by the claimant (\$430). JTR C5756-A.4.a(8). The record does not demonstrate that the remainder of the costs, identified as title charges and services (\$690, \$520, and \$1090), are reimbursable. Of note, while the claimant is reimbursed for lender’s title insurance, the claimant’s purchase contract and documentation do not indicate that the owner’s (seller’s) title insurance policy was a prerequisite to financing or the transfer of property, so that related costs are not reimbursable. JTR C5756-A.4.a(9). Further, a portion of these costs was paid by the seller, not the claimant, as settlement and closing fees (\$660); as stated above, this amount is not reimbursable.

The Board denies the claim.

JOSEPH A. VERGILIO
Board Judge