



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

September 26, 2025

CBCA 8449-RELO

In the Matter of STEVEN D.

Steven D., Claimant.

Master Sergeant Ryan M. Sison, Flight Chief, Financial Operations, 1st Special Operations Wing, Air Force Special Operations Command, Department of the Air Force, Hurlburt Air Force Base, FL, appearing for Department of the Air Force.

VOLK, Board Judge.

Claimant, a civilian employee of the Department of the Air Force, purchased a home in Florida in December 2024 after a permanent change of station. The Air Force reimbursed claimant for some, but not all, of his real estate transaction costs. Claimant seeks review of the Air Force's denial of reimbursement for two of his claimed costs: (1) \$1250 for an intangible tax; and (2) \$6250 for what claimant asserts was a loan origination fee. We grant the claim with respect to the \$1250 intangible tax and otherwise deny the claim.

Intangible Tax

Among other taxes, the closing statement for claimant's home purchase included a line item for "Intangible Tax (Mortgage)" in the amount of \$1250. In response to an inquiry from the Air Force, claimant's closing agent explained that this tax was assessed under chapter 199 of the Florida Statutes, which "imposes nonrecurring intangible tax on obligations to pay money to the extent the obligation is secured by a mortgage or lien on Florida real property." Agency Response, Exhibit 1 at 1 (quoting a Florida Department of Revenue website).

Under the Joint Travel Regulations (JTR), “[m]ortgage and transfer taxes” are reimbursable. JTR 054504-D.4 (Dec. 2024). In contrast, property taxes are not reimbursable. JTR 054505-A.3. The Air Force determined that claimant’s intangible tax was a non-reimbursable property tax. Relying on a statement from the Florida Department of Revenue’s website that this “tax is due even if the mortgage or lien is not recorded or filed in Florida,” the Air Force states that “[a]s the intangible tax is value based and not contingent on the mortgage being recorded in Florida, [w]e interpreted this to be property tax.” Agency Response at 1.

We conclude that claimant’s \$1250 intangible tax is reimbursable under JTR 054504-D.4 as a mortgage tax. We find no sound basis to characterize this cost as a property tax. That the tax is “value based” does not make it a property tax, as opposed to mortgage or transfer taxes, which are also ordinarily based on transaction value. Nor does the obligation to pay the tax regardless of where the mortgage may be recorded present a persuasive reason to characterize it as a property tax. The information provided by the parties indicates that this tax was levied as a result of claimant’s mortgage. As mortgage taxes are reimbursable under JTR 054504-D.4, the Air Force shall reimburse claimant for the \$1250 intangible tax.

Loan Origination Cost

Claimant’s closing statement also included a \$6250 charge described as “1% of Loan Amount (Points).” Agency Response, Exhibit 2 at 1, 22. Claimant asserts that this cost is a reimbursable origination fee, while the Air Force maintains that it is a non-reimbursable “point” paid by claimant to “buy down” the interest rate for his mortgage.

Under the JTR, “[l]oan origination fees and similar charges” may be reimbursable, while “[i]nterest on loans, points, and mortgage discounts” are not reimbursable. JTR 054504-D.2; JTR 054505-A.2; *see also Peter G.*, CBCA 8018-RELO, 24-1 BCA ¶ 38,589, at 187,581-82. As defined by the JTR, a “loan origination fee is a fee paid by a borrower to compensate a lender for administrative-type expenses incurred in originating and processing a loan.” JTR 054504-D.2 (Note). The burden to establish that the cost is reimbursable is on claimant. Rule 401(c) (48 CFR 6104.401(c) (2024)).

In his submission to the Board, claimant characterizes the one-percent charge as an origination fee, but he supplies little evidence to support that characterization. Claimant provides a “Closing Disclosure,” in which this line item appears under a heading of “Origination Charges,” in addition to other lender fees labeled “Administration Fee,” “Processing Fees,” and “Underwriting Fees.” In the American Land Title Association (ALTA) settlement statement provided by the Air Force with its response, this item is listed

under the heading of “Loan Charges,” along with various other costs, including one for prepaid interest. Agency Response, Exhibit 2 at 1. Although the statements have different headings, the description of this line item is the same on both statements: “1% of Loan Amount (Points).”

In his submission to the Board, claimant does not present any substantial argument for why this amount should be considered an origination charge, as opposed to points. He does not address the express reference to “Points” in the line item description.

The Air Force attached to its response a copy of two chat messages sent by claimant before seeking review by the Board. In the first message, claimant indicated that he was contacting his mortgage company “to clarify the origination fee.” Agency Response, Exhibit 4. A day later, claimant stated in a second message: “I talked to the mortgage broker yesterday, and the origination (point) is [a] 1% point they included in the origination fees. So if the ruling from [the judge advocate] is that origination can’t encompass any points then I have no issue with that being removed.” *Id.* Claimant did not submit a reply to the Air Force’s response.

Claimant has not met his burden to demonstrate that this \$6250 cost was a reimbursable origination fee. To the contrary, the weight of the evidence provided to the Board indicates that it was a non-reimbursable “point” paid to reduce the mortgage interest rate. Claimant’s request for reimbursement of this \$6250 cost is denied.

Decision

The claim is granted in the amount of \$1250 and is otherwise denied.

Daniel B. Volk
DANIEL B. VOLK
Board Judge