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DECISION



Mr. Wotherspoon
Civ. Pers.
**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-185814

DATE: March 8, 1977

MATTER OF: Richard D. Abeyta - Relocation Expenses -
Closing Costs

DIGEST: Employee who purchased residence at new duty station incident to transfer of duty station claims closing costs paid by seller but included in purchase price. Since closing costs are clearly discernible and separable from price allocable to realty, both buyer and seller regarded costs as having been paid by buyer, and costs are properly documented, claim may be paid.

This action is in response to a letter dated May 25, 1976, from LTC F. P. Spera, a finance and accounting officer of the Department of the Army, as to the propriety of certifying for payment a voucher in the amount of \$881.38 representing expenses incurred by Mr. Richard D. Abeyta in connection with his purchase of a new home incident to the transfer of his official duty station as an employee of the Department of the Army from Red River Army Depot, Texarkana, Texas, to Edgewood Arsenal, Aberdeen Proving Ground, Maryland.

The memorandum of settlement, dated September 23, 1976, provides an itemized account of the closing costs, showing them as having been paid by the seller of the house. However, two letters from the Vice President of Chesapeake Homes, Inc., the seller, to the Department of the Army state that the closing costs were incorporated into the price of the house and were paid by the buyer, Mr. Abeyta, as part of the purchase price.

Paragraph 68350 of Part H, chapter 8, Volume 2, Joint Travel Regulations (JTR) (1973) provides, in pertinent part, that:

"* * * An employee will be entitled to reimbursement for expenses required to be paid by him in connection with the sale of his residence at his old duty station; the purchase (including construction) of a residence at his new duty station * * * after he has signed the required transportation agreement and provided that:

B-186814

"1. a permanent change of station is authorized or approved and the old and new duty stations are located within the United States, Commonwealth of Puerto Rico, or the Canal Zone * * *."

A catalogue of reimbursable expenses is included at 2 JTR para. C8352. All of the costs claimed by Mr. Abeyta are properly reimbursable under this paragraph if he can be considered to have actually paid them.

In our decision 52 Comp. Gen. 11 (1972), reimbursement of closing costs had originally been denied because closing costs were included in the purchase price of the real estate and hence were not regarded as having been paid by the purchaser. Upon reconsideration, we held that claims for reimbursement of closing costs in that case and in all future analogous cases would be allowed. See B-174527, August 23, 1974, and B-176459, August 17, 1972. In 52 Comp. Gen. 11, supra, it was stated, at page 13, that:

"The closing costs which were added to the purchase price are clearly discernible and separable from the price allocable to the realty. Although the seller may have actually performed the act of initially paying the costs, the down payment and the amount paid at closing by the purchaser from his own funds exceeded the amount of those costs and the seller regards them as having been, in effect, paid by the purchaser. Also, the purchaser has supplied documentation of the amount of the costs and of his liability for them."

In the present case, the memorandum of settlement shows that the closing costs are "* * * clearly discernible and separable from the price allocable to the realty." The two letters from Chesapeake Homes, Inc. satisfy the requirement that the seller regards the costs as having been paid by the purchaser. The memorandum and the letters provide the required documentation of the amount of the closing costs, and of Mr. Abeyta's liability for them.

B-186814

Accordingly, payment may be made if otherwise proper.

W. K. ...
Acting Comptroller General
of the United States