

**DECISION**

194720 *Autman*  
**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

**FILE:** B-200744**DATE:** September 18, 1981**MATTER OF:** Donovan H. Williams - Real Estate Expenses -  
Unsuccessful Purchase Transaction

**DIGEST:** Civilian employee of IRS, upon transfer, purchased residence at new duty station. He seeks reimbursement of costs of an appraisal and credit report in first attempt to purchase residence which was unsuccessful as property did not appraise for sufficient amount to permit FHA to guarantee loan. Employee then obtained conventional financing and was required to pay for new appraisal and credit report, for which he has been reimbursed. An employee may be reimbursed for only one set of authorized real estate expenses relating to one sale and one purchase. Hence, claim is disallowed.

Mr. Donovan H. Williams, an employee of the Internal Revenue Service (IRS), Department of the Treasury, has appealed Settlement Certificate Z-2821936, April 25, 1980, issued by our Claims Group. The Certificate disallowed Mr. Williams' claim for reimbursement of the expenses of an appraisal and a credit report incurred in connection with his unsuccessful attempt to secure FHA financing to purchase a residence incident to his transfer of official station from Chicago, Illinois, to Bolingbrook, Illinois, in April 1979.

We hold that the claim may not be paid because duplicate expenses relating to the purchase of a residence may not be reimbursed.

Incident to his transfer of official station, Mr. Williams entered into a contract to purchase a residence under an FHA-guaranteed mortgage. On January 27, 1979, he completed the application papers and paid for the appraisal of the property and credit report in the sum of \$75. On or about February 9, 1979, the mortgage company informed Mr. Williams that the property did not appraise for a sufficient amount so as to permit the FHA to guarantee the loan. The seller would not agree to a lesser amount under the

~~018563~~

116358

B-200744

same type of financing. On February 10, 1979, Mr. Williams entered into a new contract to purchase the same residence for a lesser amount to be financed under a conventional mortgage. The mortgage company would not accept the prior appraisal and credit report. Another appraisal and credit report were therefore made at the request of the lender. The second mortgage application was approved.

The employee contends that the second appraisal and credit report were made strictly at the insistence of the lender and, since he had no choice in the matter, he should be allowed the expenses incurred in obtaining both sets of appraisals and credit reports. The IRS recommends payment of the claim since Mr. Williams would not have willingly entered into a real estate transaction involving duplicate costs if other means of avoiding the costs could have been utilized. Mr. Williams has submitted a supplemental travel voucher in the amount of \$75 covering the claimed real estate expenses.

The authority for reimbursement of real estate expenses incurred by an employee incident to a transfer of official duty station is contained in 5 U.S.C. § 5724a (1976) and the implementing regulations in the Federal Travel Regulations (FTR), FPMR 101-7, May 1973. Under FTR paragraph 2-6.2d an employee may be reimbursed for certain expenses, including appraisal fees and costs of preparing credit reports.

This Office has held that the intent of the provisions of the Federal Travel Regulations relating to the reimbursement of real estate expenses is to reimburse one set of authorized expenses relating to one sale and one purchase. Robert A. Benson, B-184869, September 21, 1976. The reasoning behind this holding is that the costs associated with incomplete contracts are duplicative and analogous to losses due to market conditions. Reimbursement of such losses is prohibited by 5 U.S.C. § 5724a(a)(4) and FTR para. 2-6.2e.

B-200744

With specific reference to the case under consideration, we held in Larry J. Light, B-188300, August 29, 1977, which also involved the purchase of a residence at the employee's new duty station, that, since the employee had been reimbursed for one examination of abstract and title opinion, he could not be reimbursed for a second service.

Accordingly, since Mr. Williams has been reimbursed for the costs incurred for the appraisal and credit report associated with the completed purchase, he may not be reimbursed for similar costs associated with the unsuccessful attempt to obtain FHA-guaranteed financing for the purchase. The settlement action by our Claims Group of April 25, 1980, is sustained, and the supplemental travel voucher in the sum of \$75 may not be certified for payment.

  
Acting Comptroller General  
of the United States