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PLM-1  
Mr. Kirkpatrick



**DECISION**

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

FILE: B-196263

DATE: February 13, 1980

MATTER OF: James C. Steckbeck [ Reimbursement for Real Estate Expenses ]

DIGEST: Employee is not entitled to reimbursement for real estate expenses paid on behalf of buyer incident to sale of his home upon transfer. Although it was common for seller to pay all or a part of purchaser's closing costs, such current practice had not ripened into custom in locality of home, as determined by HUD local or area office. Reimbursement to seller is not authorized unless sellers customarily pay. 5 U.S.C. § 5724a(a)(4) and FTR paras. 2-6.2c and d and 2-6.3c.

Mr. James C. Steckbeck, requests reconsideration of his claim for real estate expenses that he incurred in selling his home incident to a permanent change of station. Our Claims Division denied his claim by Settlement Certificate No. Z-2811952, August 9, 1979.

The issue is whether a seller may be reimbursed for real estate expenses paid on behalf of the purchaser when it is common for the seller to pay such costs but the practice is not an established custom.

The Claimant

Mr. Steckbeck, an employee of the National Security Agency (NSA) sold his residence in Hampton, Virginia, upon changing his permanent duty station from that location to Fort Meade, Maryland. He paid at settlement a general item characterized as "Seller's Contribution" of closing costs in the amount of \$503. The real estate agency reported that in the Hampton/Newport News, Virginia, area it is not uncommon for the seller to pay all or a part of the purchaser's closing costs. However, by letter of January 25, 1979, the Regional Director, Department of Housing and Urban Development (HUD), Richmond, Virginia, reported that while typically the seller paid part or all of the buyer's closing costs in the area, the practice had not been established as a custom which had evolved over the years. Also, the administrative report states that NSA was informed by HUD's Alexandria office that the frequency of the seller paying all or a part of the purchaser's costs was not to the extent of constituting a custom in Virginia. Further, the administrative report says that the current practice has taken place in a "buyer's market" now existing in the

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Hampton area, but the practice evidently has not developed into a custom and is subject to change.

Certain real estate expenses are payable for the sale of a residence incident to a permanent change of station, but only if they are customarily paid by sellers of real estate in the locality where the real estate is located, 5 U.S.C. § 5724a(a)(4) and paragraphs 2-6.2c and d of the Federal Travel Regulations. In determining whether the seller or purchaser customarily pays the particular real estate expense in question, employing offices should obtain technical advice from the local or area HUD office, Paragraph 2-6.3c of the FTR.

In the present case, HUD determined at most that it was common for sellers in the local area to pay a part of the buyer's closing costs, but such current practice had not ripened into a custom. Under these circumstances ~~we~~ have denied reimbursement of the seller's expense. Burton Newmark, B-190715, March 24, 1978.

Accordingly, ~~our Claims Division's~~ disallowance ~~is~~ sustained.

*R. K. Hill*  
Deputy Comptroller General  
of the United States