



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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June 26, 2023

CBCA 7725-RELO

In the Matter of FERNANDO B.

Fernando B., Claimant.

Patricia L. Rivera, Chief, Affirmative Employment Section, Department of the Air Force, Joint Base San Antonio, Randolph, TX, appearing for Department of the Air Force.

**BEARDSLEY**, Board Judge (Chair).

The claimant, a civilian employee of the Department of the Air Force, seeks reimbursement for relocation expenses for three items associated with his purchase of a residence in Converse, Texas. The claimant is not entitled to reimbursement for any of the three items claimed.

Background

The Air Force relocated the claimant to Joint Base San Antonio (JBSA) in Randolph, Texas, under permanent change of station (PCS) orders. The claimant purchased a home in Converse, Texas, near his new station in August 2021.

The claimant submitted a reimbursement claim to the Air Force for \$16,894.33 for real estate expenses. The Air Force did not reimburse the claimant for the following, among other items:

City/County/State Tax Stamps:	\$2996.63
Underwriting Fee:	\$595.00
Title Escrow Fee:	\$575.00

On March 30, 2023, the claimant challenged the Air Force's decision not to reimburse the claimant for these three items.

### Discussion

Per statute, an agency pays purchase expenses for a residence for an employee who transfers from one permanent duty station to another within the United States if the transfer was made in the interest of the Government. 5 U.S.C. § 5724a(d)(1) (2018). The Federal Travel Regulation (FTR) lists those real estate transaction expenses that are reimbursable. 41 CFR 302-11.200 (2021). The Joint Travel Regulations (JTR) supplement the FTR for civilian employees of the Department of Defense. JTR 054504 (Aug. 2021).

The claimant first asserts entitlement to \$2996.63 in what the Air Force labeled city/county/state tax stamps. However, there is no mention of a tax stamp charge on the closing disclosure. Instead, \$2996.63 was paid for county property taxes that the seller had not yet paid for 2021. The entry on the closing disclosure under "Due from Seller at Closing" is for "Adjustments for Items Unpaid by Seller" "County Taxes 01/1/21 to 08/31/21." This same entry is found under the section titled "Paid Already by or on Behalf of Borrower at Closing." These taxes seem to have been paid by the seller and not the claimant. Even so, the FTR and JTR explicitly prohibit reimbursement for property taxes. 41 CFR 302-11.202(e); JTR 054505A.3; *David D. Battle*, CBCA 4366-RELO, 15-1 BCA ¶ 35,891, at 175,461 (county property taxes are not reimbursable). The claimant, therefore, is not entitled to reimbursement of the \$2996.63 in property taxes.

The claimant next asserts entitlement to \$595 in what the Air Force mislabeled as the underwriting fee. According to the claimant's closing disclosure, the claimant paid \$595 for a processing fee charged by the claimant's lender as an origination charge for the loan. The FTR and JTR allow for loan origination fees and similar charges to be reimbursed. 41 CFR 302-11.200(f)(2); JTR 054504D.2. Here, the processing fee of \$595 is considered a loan origination fee.

"A loan origination fee is intended to compensate the lender for administrative expenses incurred in originating and processing a loan." *Willo D. Lockett*, GSBCA 16391-RELO, 04-2 BCA ¶ 32,722, at 161,882 (citing [*Verna*] *Pope*[, GSBCA 15718-RELO, 02-1 BCA ¶ 31,822, at 157,252]; *Kathleen M. Lewis*, GSBCA 15613-RELO, 01-2 BCA ¶ 31,616, at 156,209; *Joseph Thompson*, GSBCA 15077-RELO, 00-1 BCA ¶ 30,615, at 151,132 (1999)). The loan processing fee may be considered similar in nature to a loan origination fee. *Id.*

*Samantha J. Ingram*, CBCA 5491-RELO, 17-1 BCA ¶ 36,894, at 179,793. The claimant, however, has failed to demonstrate that a processing fee is customarily paid by the buyer in Converse, Texas. See 41 CFR 302-11.200; JTR 054504D (“The expenses listed below are reimbursable for . . . purchasing a residence if customarily paid by a buyer at the new PDS.”). “The claimant has the burden of proof to show by a preponderance of evidence that an incurred cost is customary in the locality in which the real estate transaction occurred.” *Bruce J.*, CBCA 7340-RELO, 22-1 BCA ¶ 38,175, at 185,390 (citing *Bryan Trout*, CBCA 2138-RELO, 11-1 BCA ¶ 34,727, at 170,991). The claimant is not entitled to reimbursement for the \$595 processing fee.

The claimant asserts entitlement to \$575 for a title-settlement fee (misabeled a “title escrow fee” by the Air Force) that was paid by the claimant. The claimant has failed to provide information as to what the title-settlement fee covered and has failed to demonstrate that a title-settlement fee is customarily paid by the buyer in Converse, Texas. *Bruce J.*, 22-1 BCA at 185,390. The claimant is, therefore, not entitled to reimbursement for the \$575 title-settlement fee.

#### Decision

The claim is denied.

*Erica S. Beardsley*  
ERICA S. BEARDSLEY  
Board Judge