



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

February 14, 2023

CBCA 7595-RELO

In the Matter of JOSEPH B.

Joseph B., Claimant.

Connie J. Rabel, Director, Travel Mission Area, Enterprise Solutions and Standards, Defense Finance and Accounting Service, Indianapolis, IN, appearing for Department of Defense.

CHADWICK, Board Judge.

Claimant, a civilian defense employee, seeks review of the agency's refusal to reimburse two amounts as relocation expenses incident to a home purchase. Claimant reported to the new duty station in October 2021. Claimant's entitlement to relocation expenses in general is not disputed nor are other specific expenses.

The first dispute concerns legal fees of \$1595. The agency denied reimbursement because claimant offered no evidence that it was "customar[y]" for a home buyer to pay a lawyer in the area of the purchase. *See* Joint Travel Regulation 054504-C (Oct. 2021); *see generally* 41 CFR 302-11.1 (2021) ("purpose of" the real estate transaction expense allowance). After prompting by the Board, claimant submitted such evidence in the form of blog posts by local attorneys and a statement of a real estate broker. We find that retaining a lawyer was customary and that the expense is reasonable on an hourly basis.

The second dispute concerns a "down payment," which the agency did not reimburse as a transaction expense because the amount was part of the purchase price. This was clearly correct. "Down payment" has only one meaning and is a "portion of a purchase price." *Payment*, Blacks's Law Dictionary (11th ed. 2019). "The payment of the purchase price by purchaser to seller is the real estate transaction; it is not a real estate transaction expense." *Kristin Pherson*, CBCA 2728-RELO, 12-1 BCA ¶ 34,948, at 171,817. Claimant's contention

that the down payment was “not part [of] the actual purchase price” is refuted by the closing disclosure. At page 4, the document itemizes “cash [required] to close” as including both “closing costs” (which were reimbursed) and “down payment” (some of which had been paid as a deposit). The sum of the down payment and the mortgage loan exactly equals the “purchase price,” showing that the down payment went toward the home purchase.

Decision

Claimant is entitled to reimbursement of the legal fees but not the down payment.

Kyle Chadwick

KYLE CHADWICK

Board Judge