



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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June 20, 2014

CBCA 3695-RELO

In the Matter of ROBERT A. SCHOENBERG

Robert A. Schoenberg, Lacey, WA, Claimant.

Vickie Kitchen, Human Resources Specialist, Department of the Air Force, Joint Base Lewis-McChord, McChord Field, WA, appearing for Department of the Air Force.

**STERN**, Board Judge.

Claimant is a civilian employee of the United States Air Force (Air Force) who was transferred from a base in New Mexico to one in Washington. The Air Force authorized the reimbursement of residence transaction expenses as part of the transfer.

Claimant alleges that he incurred real estate transaction expenses in the amount of \$9125.55 for the purchase of his new home in Washington. The HUD-1 settlement sheet for the purchase transaction lists a loan origination charge of \$6467.50, which included charges for the mortgage broker's fee and the lender's underwriting fee. The HUD-1 also lists a credit from the lender for \$10,421.07 to offset the loan origination and underwriting fee. The remainder of this credit, in the amount of \$3953.57, was applied toward the payment of claimant's other closing costs. Some of these costs included mortgage interest and charges that are not reimbursable real estate transaction expenses. Claimant had no out-of-pocket settlement charges that would be reimbursable under the regulations.

The Air Force cites the Joint Travel Regulations (JTR), applicable to this transaction, which state that an employee is reimbursed only for expenses actually incurred and paid by the employee. The Air Force reasons that claimant is not entitled to any payment since the

real estate transaction costs were paid by the mortgage company as the lender credit.

One of our predecessor boards addressed this identical situation in *Judith C. Rothschild*, GSBCA 14787-RELO, 99-1 BCA ¶ 30,285. It concluded that under these circumstances the employee is not entitled to be reimbursed for expenses that the employee did not pay. *See, Michelle D. Thomas*, CBCA 3572-RELO, 14-1 BCA ¶ 35,561, where we held that where a credit is issued by a lender, the un-designated portion of such a credit should be treated as first applying to non-allowable transaction costs.

Here, the lender credit paid all of claimant's otherwise reimbursable real estate transaction fees. Claimant is not entitled to be reimbursed for any of the fees paid by this credit.

### Decision

The claim is denied.

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JAMES L. STERN  
Board Judge