

**Board of Contract Appeals**  
General Services Administration  
Washington, D.C. 20405

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August 7, 2003

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GSBCA 16114-RELO

In the Matter of KATHY D. PETER

Kathy D. Peter, Boise, ID, Claimant.

Susan Rissler Sheely, Chief, Travel Management Branch, United States Geological Survey, Reston, VA, appearing for Department of the Interior.

**DANIELS**, Board Judge (Chairman).

The United States Geological Survey reimbursed Kathy D. Peter for most of the expenses she incurred in buying a home in Idaho when the agency transferred her to that state in June 2002. Of the expenses for which reimbursement was denied, Ms. Peter challenges the agency's determination as to two. One is a \$100 fee covering the cost of four endorsements to the title insurance policy held by the bank which lent money to Ms. Peter and her husband to enable them to buy the house. The other is a \$150 fee (called an "accommodation signing fee") imposed by the title transfer company for additional work necessary to allow settlement to occur before Ms. Peter and her husband actually moved to Idaho. We hold for the employee on both of these items.

The agency denied reimbursement of \$100 of the lender's title insurance premium due to a misunderstanding. Through the four endorsements to the policy, the title insurance company insured the lender against loss or damage sustained by reason of various causes. Under one of the endorsements, the lender was insured against loss or damage resulting from "[t]he priority of any lien for charges and assessments at Date of Policy in favor of any association of homeowners which are provided for . . . over the lien of any insured mortgage . . . ." The agency noted that Ms. Peter and her husband had, as part of their agreement with the lender, agreed to perform obligations imposed on them by the articles of incorporation of a homeowners' association. The agency, realizing that homeowners' association assessments are the personal responsibility of a homeowner, thought that the \$100 fee was such an expense.

In reaching this conclusion, the agency was misguided. The fee in question was clearly not a payment by Ms. Peter to the homeowners' association. Rather, it was a premium paid to insure the lender against an obligation to make payment to another party in the event

that any of various named events – one of which is the making of a class of homeowners' association claims – ever occurred. When a transferred employee who purchases a home at his new duty station is required by his lender to buy a title insurance policy for the protection of that lender, payment of the insurance premium is a reimbursable expense. 41 CFR 302-11.201(f)(8) (2002). The agency has not suggested that the premium for the four endorsements to the policy in question was excessive in cost. The agency must reimburse Ms. Peter for this expense.

The agency denied reimbursement of the \$150 "accommodation signing fee" Ms. Peter paid to the title transfer company due to a belief that "[t]he choice to close on the purchase of the new house prior to departure of the old duty station was a personal decision." The employee responds that because settlement occurred before she moved to Idaho, she was able on arrival at her new duty station to move directly into her new home, without having to stay in temporary quarters at Government expense. In Ms. Peter's view, the early settlement actually saved the Government money because reimbursement of the fee would be less costly than payment of subsistence expenses for the days she and her husband would otherwise have had to be in temporary quarters.

Among the residence transaction expenses which are made reimbursable by the Federal Travel Regulation are "expenses of sale and purchase made for required services that are . . . customarily paid by the purchaser of a residence at the new official station." 41 CFR 302-11.201(f)(12). Title transfer companies routinely include among their charges, when persons going to settlement on the transfer of a residence are not able to be physically present at the settlement, a fee for services such as courier delivery of documents and preparation of powers of attorney. We have consistently held that a fee paid for delivery of documents by a courier is reimbursable if it meets two tests: First, it must have been incurred for services procured by the transferred employee or someone working with him (rather than the lender, since fees paid to a lender are considered part of a non-reimbursable finance charge). Second, the services must have been necessary for the transfer of the residence (rather than having been secured merely for reasons of personal preference). Jack E. Hudson, GSBCA 16053-RELO (June 10, 2003); Sandra L. Wilks, GSBCA 15669-RELO, 02-2 BCA ¶ 31,962; Larry W. Poole, GSBCA 15730-RELO, 02-1 BCA ¶ 31,776; Daniel H. Coney, GSBCA 15506-RELO, 01-2 BCA ¶ 31,610. In these cases and others, we have sanctioned reimbursement for courier fees required for the completion of a residence transaction because the transferred employee did not return to his old duty station for settlement on the sale of his previous home. We apply a similar standard to fees for preparation of powers of attorney and other work necessary to allow transfers of residences by transferred employees who are not able to be physically present at a settlement. We think that Ms. Peter acted prudently by settling on the purchase of her Idaho home before moving to her new duty station, and thus avoiding any need for temporary quarters expenses. The agency must reimburse her for the accommodation signing fee.

### Decision

The agency shall reimburse the employee for both contested fees she paid at settlement – a total of \$250.

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STEPHEN M. DANIELS  
Board Judge