

# Board of Contract Appeals

General Services Administration  
Washington, D.C. 20405

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May 20, 2004

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GSBCA 16383-RELO

In the Matter of C. RICHARD CARLETON

C. Richard Carleton, Greenwood, LA, Claimant.

Terry Burton, Chief, Travel Section, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

**GOODMAN**, Board Judge.

Claimant, C. Richard Carleton, is an employee of the Department of Veterans Affairs. He has requested that this Board review the agency's denial of reimbursement of certain costs arising from his permanent change of station move.

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## Factual Background

Claimant purchased a home at his new duty station in September 2003. The agency denied reimbursement of \$395 charged by the mortgage company as a processing fee for the loan on the new residence. Claimant has submitted a letter from the mortgage company stating that the fee is "a standard closing cost on every loan." The agency denied reimbursement as it considered the fee a finance charge.

## Discussion

Pursuant to the Federal Travel Regulation (FTR), 41 CFR 302-11.202(g) (2003), an agency will not reimburse "[a]ny fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act . . . and Regulation Z issued by the Board of Governors of the Federal Reserve System . . . unless specifically authorized in § 302-11.200." The claimant's mortgage company's letter stating that the processing fee at issue is a "standard closing cost on every loan" confirms that the processing fee is an element of the cost of obtaining credit. We have previously held that charges that are an element of the cost of obtaining credit are deemed to be part of the finance charge. Since this is not a charge that is specifically authorized to be reimbursable, it is not recoverable under the FTR. See Jeffrey B. Hicks, GSBCA 15860-RELO, 03-1 BCA ¶ 32,083; Michael J. Smith, GSBCA

15672-RELO, 02-1 BCA ¶ 31,771; Thomas E. Sullivan, GSBCA 15453-RELO, 01-1 BCA ¶ 31,339. The agency properly disallowed this expense.

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Decision

The claim is denied.

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ALLAN H. GOODMAN  
Board Judge