

DOCUMENT RESUME

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[Relocation--Title Insurance Expenses for Required Owner/Lender Coverage]. B-189488. August 18, 1977. 2 pp.

Decision re: Alan G. Bolton, Jr.; by Robert P. Keller, Deputy Comptroller General.

Issue Area: Personnel Management and Compensation: Compensation: (305).

Contact: Office of the General Counsel: Civilian Personnel.

Budget Function: General Government: Central Personnel Management (8.5).

Organization Concerned: Bureau of Mines.

Authority: F.T.R. (PPMR 101-7), para. 2.6.2d. 55 Comp. Gen. 779. B-175716 (1972). B-170571 (1971). B-186579 (1976).

Harold P. Thorne, an Authorized Certifying Officer of the Bureau of Mines, requested a decision on a claim for reimbursement of mortgage title insurance expenses incurred in connection with the purchase of a home incident to an official transfer of station. An employee may be reimbursed for an owner's title insurance policy when it is incurred by the purchaser as a prerequisite to the transfer of property or to obtaining financing incident to such a transfer if it is customarily paid by the purchasers in the area involved.  
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**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20540

**FILE:** B-189488

**DATE:** August 18, 1977

**MATTER OF:** Alan G. Bolton, Jr.--Relocation--Title Insurance  
Expenses for Required Owner/Lender Coverage

**DIGEST:** Employee purchased a house in Pittsburgh, Pennsylvania, incident to transfer, and incurred lump-sum charges for title insurance covering both mortgage title policy and owner's title policy due to Bar Association procedure requiring coverage of both lender and owner. Employee may be reimbursed for such insurance, notwithstanding Federal Travel Regulations allowing mortgage title insurance but disallowing owner's title insurance, because owner's policy may be reimbursed when incurred by purchaser as prerequisite to transfer of property or to obtaining financing incident to such transfer if it is customarily paid by purchasers in the area involved. B-1865'9, October 28, 1976.

This action concerns a request for a decision from Mr. Harold F. Thorne, an authorized certifying officer of the Bureau of Mines, Department of the Interior, on a reclaim voucher in the amount of \$441, submitted by Mr. Alan G. Bolton, Jr., for mortgage title insurance expenses incurred by him in connection with the purchase of a home in the Pittsburgh, Pennsylvania, area incident to an official transfer of station.

The authorized certifying officer administratively disallowed Mr. Bolton's original claim for title insurance expenses because the \$441 expense included coverage for both the lender and the owner. The certifying officer based his disallowance on paragraph 2.6.2d of the Federal Travel Regulations (FPMR 101-7) (May 1973) which provides in part as follows: "The costs of a mortgage title policy paid for by the employee on a residence purchased by him is reimbursable but costs of other types of insurance paid for by him, such as an owner's title policy \* \* \*, are not reimbursable items of expense." In addition the certifying officer has cited several Comptroller General decisions which hold that owner's title insurance is not reimbursable on the rationale that

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the cost of such policy is to be regarded as a personal expense to the employee-purchaser, incurred at his election and not necessarily essential to consummation of the real estate transaction. See for example 55 Comp. Gen. 779 (1976), B-175716, July 5, 1972, and B-170571, November 16, 1971.

However, the certifying officer also states that in reviewing the original claim, he contacted the lender, Mellon Bank of Pittsburgh, and was advised that a procedure established as of May 1, 1975, by the local Bar Association, required attorneys to charge one fee for both the owner's and lender's title insurance based on the purchase price of the home. Under this procedure, the purchaser has no option of taking or refusing to take owner's coverage, and that there is no breakdown on the cost of each coverage. In addition, the certifying officer contacted the Pittsburgh Office of the Department of Housing and Urban Development and ascertained that this method of computing title insurance expense is customary in the Pittsburgh area.

Based on the foregoing information, the certifying officer questions whether he may reimburse Mr. Bolton for the claimed \$441 title insurance expense that includes the cost of both owner's and lender's coverage.

We had occasion to consider this question in our decision Matter of Carl F. Wilson--Relocation--Title insurance expenses, B-186579, October 28, 1976. There we held that when the cost of an owner's title policy is incurred by the purchaser as a prerequisite to the transfer of the property or to obtaining financing incident to such transfer, it is reimbursable if in the area involved it is customarily paid by the purchaser.

We are of the opinion that Mr. Bolton's expenditure satisfies this criteria. The expenditure was required to obtain the loan and is customarily paid by the purchaser in the Pittsburgh, Pennsylvania, area. Accordingly, Mr. Bolton may be reimbursed the \$441 title insurance expenditure if that expenditure is otherwise proper.

Deputy

  
Comptroller General  
of the United States