

DECISION



D. Agazarian
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

CP

FILE: B-187437

DATE: January 3, 1978

MATTER OF: Glen A. Ballenger - Real Estate Expenses -
Attorney's Fees

DIGEST: Employee claims attorney's fees incurred incident to purchase of residence in connection with transfer to new duty station. Claim for examination of title, preparation of abstract, and title certificate are reimbursable under FTR para. 2-6.2c where such expenses are customarily paid by the purchaser of residence and do not exceed amounts customarily charged in locality of residence. Claim for legal fees for preparation of documents necessary for closing of loans and conducting closing of same are also allowable.

This decision concerns our reconsideration of the claim of Mr. Glen A. Ballenger, an employee of the U.S. Civil Service Commission (Commission) for legal fees incurred incident to his transfer as a Commission employee from Washington, D.C., to Macon, Georgia. In decision Glen A. Ballenger, B-187437, February 7, 1977, we considered Mr. Ballenger's claim for relocation expenses incident to his transfer and disallowed his claim for attorney's fees on the basis that he did not provide a detailed statement of attorney's fees as required by prior decisions of this Office as a condition for reimbursement. This itemized statement was required in order to distinguish reimbursable types of fees under para. 2-6.2c of the Federal Travel Regulations (FTR) (FPMR 101-7, May 1973) from those for which reimbursement may not be made. 54 Comp. Gen. 67 (1974).

Mr. Ballenger's claim for legal fees is in the amount of \$612.50 and the attorney involved has, subsequent to our earlier decision in this matter, Ballenger, supra, provided us with a breakdown of the fees and costs of the legal services which he provided incident to the real estate transaction. The attorney informs us that the amount of \$412.50 was for costs associated with the examination of title, the preparation of the

04646

B-187437

abstract of title, and the title certificate. The remaining portion of the claimed legal expenses was for the preparation of various documents necessary to close the loan and for the closing of the loan. In our recent decision George W. Lay, B-185976, 56 Comp. Ger. 561 (1977) we reviewed the policy regarding the extent to which legal fees may be reimbursed. In that decision we held that necessary and reasonable legal fees and costs, except for the fees and costs of litigation, incurred by reason of the purchase or sale of a residence incident to a permanent change of station may be reimbursed provided that such costs are within the customary range of charges for such services within the locality of the residence transaction. However, our decision in Lay, supra, will be applied prospectively only to cases in which settlement of the transaction occurs on or after April 27, 1977. Accordingly, the present matter must be determined in accordance with our prior decisions.

The costs of examining the title and preparing the abstract and title certificate are reimbursable services under FTR para. 2-6.2c where such expenses are customarily paid by the purchaser of a residence at the new official duty station and do not exceed amounts customarily charged in the locality of the residence. See Thomas A. McDonnell, B-183443, July 14, 1975. We have been informally advised by the Atlanta, Georgia, area office of the United States Department of Housing and Urban Development that in the Macon area the above charges are customarily paid by the purchaser and are not excessive. Accordingly, Mr. Ballenger is entitled to reimbursement of the above services in the amount of \$412.50.

The remaining portion of the legal expenses claimed in the amount of \$200 was for the preparation of various closing documents and for the actual closing of the loan incident to Mr. Ballenger's purchase of the residence. The attorney has advised us that the above fee is for the preparation of documents necessary for closing such as the loan note, the deed, owner's affidavit, Georgia transfer tax form, etc., and for the actual conduct of the closing at his office. The costs for preparation of closing documents and for conducting the settlement are reimbursable expenses. See B-174011, November 15, 1971. Therefore, the amount of \$200 claimed for legal expenses incident to closing may be allowed.

B-187437

Accordingly, Mr. Ballenger's claim for \$612.50 for legal expenses may be paid in accordance with the above.

Prokell
Deputy Comptroller General
of the United States