

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

March 10, 2006

GSBCA 16794-RELO

In the Matter of DONALD F. MOORE

Donald F. Moore, Salisbury, NC, Claimant.

JoAnne Rountree, Supervisor, Travel Section, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

GOODMAN, Board Judge.

Claimant, Donald F. Moore, is an employee of the Department of Veterans Affairs. He has asked this Board to review the agency's denial of certain costs arising from the purchase of a residence at his new duty station incident to a permanent change of station move.

Factual Background

On December 14, 2004, claimant purchased a home at his new duty station in North Carolina. The settlement statement indicates that he purchased title insurance for \$518.25 from Council Street Title Company which was paid from the borrower's (claimant's) funds. There was no information on the settlement sheet to indicate whether the \$518.25 was for owner's title insurance, lender's title insurance, or both. The agency denied reimbursement.

Claimant submitted a letter from the title insurance company stating that "there is no separate charge for an Owner's Policy of Title Insurance. An Owner's Policy of Title Insurance is issued simultaneously with the Loan [Lender's] Policy of Title Insurance which is how the title insurance premium is calculated. The title company issues two policies for only one premium." The agency denied reimbursement, contending that this information was

still not sufficient to determine whether claimant was entitled to reimbursement for all or a portion of the amount paid.

Discussion

Pursuant to the Federal Travel Regulation (FTR), the cost of title insurance on property being purchased by a transferred employee at a new duty station is reimbursable. 41 CFR 302-11.200(d) (2004) (FTR 302-11.200(d)). The cost of owner's title insurance, however, is not reimbursable, FTR 302-11.202, unless it can be demonstrated that the purchase of owner's title insurance was a prerequisite to financing or the transfer of the property being purchased or unless the cost of the owner's policy is inseparable from the cost of other insurance which is a prerequisite to financing or transfer of the property. FTR 302-11.200(f)(9).

The information submitted by the claimant demonstrates that both the lender's and the owner's title insurance policies were purchased with one premium. The cost of the owner's title insurance, therefore, was inseparable from the cost of the lender's insurance, which is a prerequisite to financing or transfer of the property. Claimant is entitled to reimbursement of the total amount paid for title insurance. *Gregory A. Tate*, GSBCA 16753-RELO (Jan. 9, 2006).

Decision

The claim is granted.

ALLAN H. GOODMAN
Board Judge