

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

September 27, 2006

GSBCA 16910-RELO

In the Matter of PATRICK M. HAAS

Patrick M. Haas, Madison, AL, Claimant.

James A. Wagoner, III, Assistant District Counsel, Office of Counsel, United States Army Corps of Engineers, Mobile District, Department of the Army, Mobile, AL, appearing for Department of the Army.

DeGRAFF, Board Judge.

Patrick M. Haas, an employee of the Department of Defense (DoD), transferred from one permanent duty station to another in April 2005. In connection with the transfer, Mr. Haas purchased a house after signing the standard sales contract used by real estate agents at his new duty station. This contract contains the following language: "An owner's title insurance policy and binder will be furnished at closing as part of this contract. The premium for the owner's title policy . . . will be divided equally between the Seller and Purchaser . . ." This provision is part of the printed form contract used by real estate agents in the area and was not negotiated by Mr. Haas and the seller. Mr. Haas's settlement statement shows a \$50 premium was charged for lender's coverage and a \$1075 premium was charged for owner's coverage. Mr. Haas and the seller each paid \$562.50, which is one-half of the total of the two premiums. DoD decided to reimburse only \$50 of the \$562.50 paid by Mr. Haas and he asked us to review DoD's decision.

The Joint Travel Regulations (JTR) apply to Mr. Haas because he is a civilian employee of DoD. The regulations in effect in April 2005, when Mr. Haas reported for duty at his new duty station, provided a premium paid for lender's title insurance was

reimbursable. JTR C14002-A4a(8) (Nov. 1, 2004). DoD concludes Mr. Haas is entitled to be reimbursed for the amount he paid for lender's title insurance (\$25) and we agree.

According to the JTR, a premium paid for owner's title insurance was reimbursable only if (1) such a premium was customarily paid by the purchaser of a residence at an employee's new duty station, (2) the amount paid did not exceed amounts customarily paid for such coverage, and (3) the payment was a prerequisite to financing or to the transfer of the property. JTR C14002-A4a(9), -A4b(1). DoD says Mr. Haas has not shown it was customary for a purchaser to pay one-half of the premium for owner's coverage. Mr. Haas has shown that the standard, printed sales contract used at his new duty station contains a provision which says the premium for owner's title insurance will be divided equally between the seller and the purchaser. This evidence is sufficient to establish that one-half of the premium for owner's title insurance was customarily paid by the purchaser of a residence at Mr. Haas's new duty station. The contract language also establishes that Mr. Haas paid his share of the premium as a prerequisite to the transfer of the property because according to the sales contract, if he had not paid his share of the premium, he could not have closed the transaction and obtained title to his house. *Christy C. Watts*, GSBCA 16088-RELO, 03-2 BCA ¶ 32,326. DoD does not challenge whether the amount Mr. Haas paid for owner's coverage exceeded amounts customarily paid for such coverage. Mr. Haas meets the three requirements set out in the JTR for reimbursement of the amount he paid for owner's coverage.

We grant the claim in the amount of \$512.50.

MARTHA H. DeGRAFF
Board Judge