



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

June 12, 2008

CBCA 1145-RELO

In the Matter of WILLIAM DUNCAN BAKER

William Duncan Baker, Bonaire, GA, Claimant.

Debra R. Stone, Chief, Civil Law Division, Office of the Staff Judge Advocate, Warner Robins Air Logistics Center, Robins Air Force Base, GA, appearing for Department of the Air Force.

GOODMAN, Board Judge.

Claimant is a civilian employee of the United States Air Force. He has asked this Board to review the agency's denial of reimbursement of certain expenses he incurred during a permanent change of station (PCS) move.

Factual Background

Claimant was issued PCS orders for a transfer from Derby, Kansas, to Robins Air Force Base, Georgia. He purchased a new residence in Georgia and submitted a voucher for reimbursement of expenses incurred in that purchase. The agency denied reimbursement of a tax service fee, \$80, commitment fee, \$395, property survey fee, \$450, and carpet cleaning expense, \$209.90.¹

¹ The agency has agreed to reimburse claimant for two expenses for which it had previously denied reimbursement. We do not consider these expenses as part of the claim in this decision.

DiscussionTax Service Fee and Commitment Fee

The agency properly denied claimant's claims for the tax service fee and commitment fee. Pursuant to 31 CFR 302-11.202(g) (2006), the agency may not pay "[a]ny fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act, Title I, Pub. L. 90-321, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR part 226), unless specifically authorized in § 302-11.200."

This Board and the General Services Board of Contract Appeals (GSBCA), its predecessor board in these matters, have held that tax service fees are part of the finance charge and may not be reimbursed. *See, e.g., John W. Bodford*, CBCA 1006-RELO (May 21, 2008); *James L. Thomas*, CBCA 890-RELO, (Mar. 28, 2008); *Craig A. Czuchna*, GSBCA 15799-RELO, 02-2 BCA ¶ 31,898, at 157,594 ("Tax service fees are generally charged by a lender to monitor tax assessments on mortgaged property.").

Additionally, this Board and the GSBCA have held that a commitment fee is part of the finance charge and may not be reimbursed. *See, e.g., Hwai-Tai Lam*, CBCA 703-RELO, 07-2 BCA ¶ 33,665; *David P. Brockelman*, GSBCA 14604-RELO, 98-2 BCA ¶ 29,971, at 148,287 ("loan commitment fee is a finance charge within the meaning of Regulation Z because it was imposed by [the] lender incident to the extension of credit").

Property Survey Fee

Applicable regulations permit the reimbursement of the cost of making surveys and the cost of preparing drawings or plats "when required for legal or financing purposes." 41 CFR 302-11.200(d); Joint Travel Regulation (JTR) C14002-A.3. While there is no dispute that claimant actually paid for the survey, the agency contends that claimant has not met his burden of demonstrating that the cost is reimbursable. Claimant admits neither the lender nor the closing attorney required the survey; he acknowledges that he requested and paid for the survey based on his own desire to be a prudent purchaser. Under such circumstances, we have held that the cost of a property survey is not reimbursable. *Mark T. Grace*, CBCA 523-RELO, 07-1 BCA ¶ 33,545.

Carpet Cleaning Expense

Claimant states that the house was built in 1983 and occupied by the original owners, who smoked heavily. He therefore had the carpets cleaned. There is no provision in law or regulation that provides reimbursement for this expense.

Decision

The claim is denied.

ALLAN H. GOODMAN
Board Judge