



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

March 15, 2007

CBCA 554-RELO

In the Matter of SHARON C. THOMPSON

Sharon C. Thompson, Columbus, OH, Claimant.

Judy Hughes, Standards and Compliance, Finance Mission Area-Travel Pay, Defense Finance and Accounting Service, Columbus, OH, appearing for Department of Defense.

DeGRAFF, Board Judge.

In mid-2006, the Department of Defense (DoD) transferred Sharon C. Thompson from one permanent duty station to another. In connection with the transfer, DoD authorized Ms. Thompson to incur reimbursable real estate purchase transaction expenses. Ms. Thompson purchased a house at her new duty station and because she agreed to obtain her mortgage loan through a lender affiliated with the builder that sold the house, the builder agreed to pay \$9075.50 toward her closing costs. Ms. Thompson's settlement statement shows her total closing costs were approximately \$13,500. The statement also shows \$9075.50 in "seller concessions," but does not explain how these funds were used.

Ms. Thompson submitted a claim to DoD for reimbursement of \$1286.32 of her closing costs. Although DoD determined that the claimed costs are reimbursable according to the applicable regulations, DoD decided it could not reimburse Ms. Thompson because the \$9075.50 paid by the builder toward Ms. Thompson's closing costs was more than sufficient to cover the costs which she asked DoD to reimburse. Ms. Thompson asked us to review DoD's decision.

After she submitted her claim to us for review, Ms. Thompson contacted her mortgage company and asked how the \$9075.50 had been used. The mortgage company told Ms. Thompson the \$9075.50 had been used to pay "points." Ms. Thompson's

settlement statement shows she was charged \$3085.66 for discount points paid to her lender. In addition, the statement shows she was charged \$5989.84 for a loan fee paid to the mortgage broker. These two amounts added together equal the \$9075.50 of “seller concessions.” In other words, the entire \$9075.50 was used to pay charges assessed by the lender and the mortgage broker, and none of it was used to pay any of Ms. Thompson’s other closing costs.

The \$1286.32 claimed by Ms. Thompson was paid by her, not by the builder, for closing costs. As DoD correctly determined, the claimed costs are reimbursable according to the applicable regulations. For these reasons, we grant the claim.

MARTHA H. DeGRAFF
Board Judge