



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20541

B-179079

November 13, 1973

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Mr. Donald E. Muldoon
Director, Accounting Division
Department of Housing and Urban
Development
450 Golden Gate Avenue
P.O. Box 36003
San Francisco, California 94102

Dear Mr. Muldoon:

Further reference is made to your letter of June 28, 1973, reference 9AF, and enclosures, in which you request our decision as to whether, incident to his permanent change of station on May 14, 1972, expenses incurred by Mr. William J. Formeca, an employee of your agency, in negotiating a lease of his residence at his old duty station are reimbursable.

You state that you were advised by Mr. Formeca that he was unable to sell his residence during the allotted statutory period due to a depressed real estate market. He submitted copies of contracts listing his residence for sale at prices ranging from \$39,500 to \$36,500 based on recommendations by realtors negotiating the sale of his home. Due to the expiration of the time limitation for sale of an old residence and purchase of a new one at his new duty station, Mr. Formeca retained a real estate broker to negotiate a lease of his old residence for a period of one year for a fee of \$210.00 which represented 5 percent of the first year's rental income of \$4,200.

Authority for reimbursing an employee for expenses incurred in disposing of or relinquishing a former residence at the old duty station incident to a change of official station is contained in 5 U.S.C. 5724a(a)(4) and implementing regulations promulgated by the Office of Management and Budget, Circular No. A-56, revised August 17, 1971, section 4.2h (now Federal Property Management Regulations, May 1, 1973, paragraph 2.6.2h). The statute and regulations authorize reimbursement of expenses incurred for settling an unexpired lease on residence quarters occupied by the employee at the old official station and may include broker's fees for obtaining a sublease or charges for

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advertising an unexpired lease. However, neither the statute nor the regulations purport to authorize, as involved here, reimbursement of expenses incurred by an employee in leasing his house at his former place of residence in lieu of selling under unfavorable market conditions. See 46 Comp. Gen. 705 (1967).

Therefore, the fee paid in negotiating the lease of the employee's former residence is not reimbursable.

Sincerely yours,

Paul G. Dembling

For the Comptroller General
of the United States