UNITED STATES
POSTAL SERVICE®

Relocation Policy — Nonbargaining Executive and Administrative Schedule, Management and Technical Pay Band, and Attorney Compensation System Employees

Handbook F-15-A

April 2013
Transmittal Letter

A. Purpose. This handbook incorporates and revises policy for nonbargaining Executive and Administrative Schedule (EAS), Management and Technical Pay Band (MTP), and Attorney Compensation System (ACS) employees previously covered in Handbook F-15, *Travel and Relocation* .

B. Explanation. The provisions of Handbook F-15 that apply to nonbargaining EAS, MTP, and ACS employees have been replaced with relocation policies revised to reflect the Postal Service's strategic transformation initiatives.

C. Distribution. Handbook F-15-A is available on the Postal Service Intranet.

- Go to *http://blue.usps.gov*.
- Under "Essential Links" in the left-hand column, click *PolicyNet.*
- Click *HBKs.*

D. Comments and Questions. Address any comments and questions on the content of this handbook to:

CORPORATE ACCOUNTING/RELOCATION UNIT
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 8831
WASHINGTON DC 20260-5240

E. Effective Date. This handbook is effective immediately.

Tim O'Reilly

Tim O'Reilly
Vice President, Controller

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Exhibits

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1 Introduction

11 What This Handbook Covers

111 Organization

This handbook is organized to help you find information as easily as possible. In general, procedures follow the typical step-by-step relocation sequence, from receiving authorization of benefits to completing requests for reimbursement of expenses.

112 Employees Covered

This handbook covers relocation policies and procedures for the following Postal Service employees:

a. Nonbargaining Executive and Administrative Schedule (EAS) employees.

b. Management and Technical Pay Band (MTP) employees.

c. Attorney Compensation Systems (ACS) employees.

d. Employees who hold equivalent grade positions in the Inspection Service and Office of Inspector General.

Information pertaining to travel policies and procedures for all employees is contained in Handbook F-15. Relocation benefits for Postal Career Executive (PCES) Level I employees are contained in Handbook F-15-B, and, for bargaining unit employees, in Handbook F-15-C.

Address questions about this policy to the Headquarters Relocation Unit.

12 No Deviation

No relocation policy can or should cover all the expenses or remove all the inconveniences that might be involved in relocation. The Postal Service assumes that you understand this and will weigh the professional and personal options involved when you accept relocation. Based upon this premise, there will be no deviations from this relocation policy.

13 Setting Policy and Authorizing Relocation Benefits

131 Role of the Postal Service

Title 39, United States Code, Section 410, gives the Postal Service the authority to establish its own relocation policy. This handbook contains current policy. All Postal Service relocation activities for the employees listed in 112 must comply with the policies stated in this handbook.

132 Role of the Relocation Management Firm

The Postal Service outsources all of its relocation services to a relocation management firm (RMF) to ensure that employees receive uniform information on authorized relocation benefits. The RMF provides guidance to transferring employees on Postal Service policy and processes, ensures prompt payment of reimbursable expenses, and assists with arrangements for moving and storing household goods.

133 Role of the Approving Official

The approving or hiring official (or designee) is responsible for initiating an employee's relocation. Approving officials must review this handbook thoroughly so they can discuss relocation benefits when they interview candidates for vacant positions or reassignments. They must be aware of their own obligations and responsibilities and those of the transferee.

134 Authorizing Relocation Benefits

The approving official (or designee) at the relocating employee's new permanent duty station authorizes benefits by contacting the RMF and submitting the relocation template via e-mail, following the instructions in the *Manager's Toolkit.* The approving official must submit relocation authorizations at least 30 days before a transferee's report-to-work date.

The approving official for an external hire is the appropriate vice president.

14 Responsibilities of the Transferee

Relocation benefits enable transferring employees to physically move to a new principal residence and assume their new responsibilities as quickly as possible by offsetting additional housing expenses for a short period.

As a relocating employee, you must:

a. Use the same care and prudence as if you were relocating at your own expense.

b. Review this guide carefully to become familiar with your benefits and responsibilities.

141 Relocation Agreement

Transferring employees will receive the Relocation Agreement from the RMF by email. Employees who do not have Internet access will receive the agreement by mail.

142 Commitment to Move to and Remain at the New Duty Station

By accepting the relocation agreement, the employee is agreeing to:

a. Physically move to the new duty station.

b. Remain at the new duty station, within the Postal Service, for at least 2 years from the report-to-work date.

143 Liabilities

<table>
<tr><th>If you use relocation benefits, and…</th><th>Then…</th></tr>
<tr><td>■ Your relocation does not meet the distance requirements described in 231</td><td rowspan="5">You must repay all relocation expenses incurred by the Postal Service on your behalf.

If you stay at the new duty station or move to the new community for less than 2 years, the portion that must be repaid may be prorated based upon the time remaining in your 2-year agreement.

For more information, see 234, Declining the Transfer.</td></tr>
<tr><td>■ You do not stay in the new location for 2 years</td></tr>
<tr><td>■ You do not physically move your household to the area of your new duty station</td></tr>
<tr><td>■ You decline to move to your new duty station</td></tr>
<tr><td>■ You do not complete your 2-year commitment, or you leave the Postal Service before completing your commitment</td></tr>
<tr><td>■ The distance between your old home and new duty station is less than 100 miles</td><td>You must move at least half the distance closer to your new duty station, or be liable to repay all benefits paid to you or on your behalf.</td></tr>
</table>

Postal Service personnel verify the location and the distance moved. If you misrepresent your need for relocation benefits, you may be required to repay the benefits received.

Examples: Misrepresentation of family members or failure to disclose that you own a home at the new duty station.

144 Planning Travel

Plan your itinerary to accomplish the relocation with minimal time and expense. Coordinate your travel schedule with and obtain approval from officials at both your old and new duty stations. Select the least costly transportation option that provides adequate service.

145 Avoiding Unnecessary Expenses

The Postal Service gives relocating employees flexibility and reimburses them for allowable expenses. However, the RMF audits all expense reports, and the Postal Service reserves the right to reduce what it determines to be excessive expenses.

146 Submitting Expense Reports

Do not use eTravel to submit relocation expense reports. Submit them to the RMF, which provides an online system for this purpose. Employees at offices without Internet access may submit paper vouchers supplied by the RMF.

The RMF sends payments and reimbursements to transferring employees, and a relocation consultant employed by the RMF will explain how to document and submit expense reports. All relocation expenses are charged to your new duty station's finance number. See Chapter 6 for more information.

147 Detail Assignment

If you are on a detail assignment that becomes your new duty station, regular travel benefits end on the day you are informed of the new permanent position. Return home to make arrangements for your relocation move. If you remain in your new assignment and do not return home, your travel benefits end the day after you are notified of the new position, and your relocation benefits are modified to exclude advance round trip and en route travel expenses.

Relocation cannot be delayed by a detail assignment. You must relocate according to this relocation policy.

2 Relocation Benefits

21 What This Chapter Covers

This chapter outlines the relocation benefits available to eligible Postal Service employees in the following positions:

a. Nonbargaining Executive and Administrative Schedule (EAS) employees.

b. Management and Technical Pay Band (MTP) employees.

c. Attorney Compensation Systems (ACS) employees.

d. Employees who hold equivalent grade positions in the Inspection Service and Office of Inspector General.

211 Benefits

The level of the targeted position that you are about to assume determines the benefits for which you are eligible. You may be eligible to receive the following relocation benefits:

Benefit	EAS, MTP and ACS	Reference
Lump Sum Allowance[1] Includes:		32
■ Advance round trip travel[2]	10 consecutive calendar days	323.311
■ Temporary quarters[3]	30 days	323.32
En route travel to new duty station	Yes	242, 33
Miscellaneous expense allowance	$2,500	34
Tax assistance — federal, state, OASDI tax[4]	Yes	36
Predeparture appraisal	EAS 23 and above, including MTP and ACS	511
Use of RMF for:		
■ Household goods shipment	Yes	4
■ Household goods storage[5]	60 days	4
■ Home marketing assistance	Yes	526

Benefit	EAS, MTP and ACS	Reference
■ Buyer Value Option[6]	Yes	54
■ Home Purchase Program	EAS 23 and above, including MTP and ACS	53
■ Home finding assistance	Yes	551
Old home closing costs	Yes	564.2
New home closing costs	Yes	564.3
Loss on sale of home at old duty station[7]	Yes	58
Breaking a lease	Yes	566

1 *A lump sum allowance is calculated to help defray travel costs for the advance round trip and temporary quarters. Calculation may be modified based on transferee's circumstances at new duty station.*

2 *Travel time for one advance round trip, not to exceed 10 consecutive calendar days. Scheduled work days in this travel period are recorded as work hours. The lump sum allowance is calculated to include advance round-trip expenses. Benefit not applicable to external hires or those transferring from another government agency.*

3 *Temporary quarters allowance is calculated for 30 days and is included in the lump sum allowance. Benefit not applicable to external hires or those transferring from another government agency.*

4 *Federal Insurance Contributions Act for old age, survivors, and disability insurance (OASDI) withholding is tax-assisted. Medicare withholding is not tax-assisted.*

5 *Storage of household goods may be extended up to a maximum of 75 days when authorized by the approving official.*

6 *Requires use of the RMF broker/agent network to participate. See 533 for eligibility requirements. Benefit not applicable to external hires or those transferring from another government agency.*

7 *Benefit not applicable to external hires, those transferring from another government agency, or those whose homes are sold through short sale or foreclosure.*

212 Definitions

Unless otherwise specifically provided in this handbook, the following definitions apply:

- **Approving official —** authorizes relocation; must be a Postal Career Executive Service (PCES) employee or designee.
- **Broker/agent network —** real estate brokers and/or agents affiliated with the relocation management firm (RMF). They are available to assist with relocation, and relocating employees are encouraged to use them for real estate transactions that will be reimbursed by the Postal Service. Those who opt to use an outside broker must agree to pay any fees entitled to the RMF broker/agent.
- **Effective date of transfer —** date an employee's new position is effective, as shown on PS Form 50, *Notification of Personnel Action*.
- **External hire employee —** new career employee hired from outside of the Postal Service, including another government agency.
- **Home Sale Assistance Program —** optional benefit designed to facilitate a relatively fast, efficient way for an employee to sell his or her home with minimum cost; usually accomplished by an RMF.

- **Household goods —** personal property that may be transported legally in interstate commerce and that belongs to the employee or immediate family at the time the employee is notified of the transfer and before shipment or storage begins. Transferees must use the RMF for movement and storage of their household goods. The term:
  - *Includes* household furnishings, equipment and appliances, furniture, clothing, books, and similar property.
  - *Does not include* (1) items such as airplanes, recreational vehicles, camper trailers, boats over 14 feet, utility and boat trailers, storage sheds, hand guns, ammunition, pets, birds, livestock, or building materials; (2) a collection of property, such as wines, classic or antique cars, or food stores; or (3) home office equipment used to conduct a business, other commercial enterprise, or hobby.
- **Immediate family members —** family members eligible for relocation benefits. They must be: (1) part of the employee's household at the time he or she is notified of a transfer or reassignment; (2) moving with the employee; and (3) listed in the table below:

Relationship	Description
Your spouse	Refers to a person of the opposite sex who is the employee's husband or wife. ***Note:*** Your spouse may be eligible for certain benefits as a result of your authorized relocation if employed by the Postal Service.
	Common law. Spouses of common law are covered by the term spouse when: ■ The state they are moving from recognizes common law marriage; and ■ Verification can be provided that all of the requisite requirements of that state for recognizing such a common law marriage have been met.
	Separation and Divorce ■ If you are currently separating or divorcing and your spouse is not relocating with you, your spouse is not eligible for benefits. ■ This status can also affect your eligibility for home sale assistance programs. ■ For detailed information on eligibility for residence transactions, see 533.

Relationship	Description
Your spouse	**Fiancée** ■ A fiancée is not eligible for benefits. ■ If the marriage occurs during the relocation process, your spouse may be eligible for certain relocation activities that occur after the date of marriage.
Your children	Refers to your natural offspring, stepchildren, adopted children, grandchildren, legal minor wards, or other immediate family member children who are under the legal guardianship of you or your spouse. Each of these children must meet one of the following criteria: ■ Unmarried and under 21 years of age. ■ Physically or mentally incapable of supporting himself or herself, regardless of age. ■ An unmarried full-time student under 23 years of age. ■ A child born after your effective date of transfer is considered a part of your immediate family.
Your immediate family member parents	Refers to your parents or your spouse's parents who are considered part of your immediate family and receive at least 51 percent of their support from you or your spouse.

- **Loss-on-sale reimbursement —** payment to help offset a loss that occurs when, due to market conditions, an employee sells the principal residence at the old duty station for less than he or she paid for it. This reimbursement does not apply if the employee sold short or lost the home through foreclosure.
- **Mobile home —** a manufactured dwelling constructed on a metal frame, designed to be mobile, and used as a residence. Mobile homes have metal frames that are not removed and may have a vehicle identification number (VIN). If wheels, axles, towing mechanisms, or related mobility hardware features have been removed and the structure has been affixed to a foundation, it is still considered a mobile home.
- **Modular home (or system-built home) —** homes built in a manufacturing facility in sections and then transported to the home site 70 percent to 95 percent complete. The sections of a modular home are lifted onto the foundation by crane. Modular homes are not constructed on frames and are often considered higher quality than *stick-built* homes due to controlled conditions at the factory. Modular homes are not considered mobile homes.

- **New duty station —** location where an employee will regularly report for work. On PS Form 50, it is called the *permanently assigned location.*
- **Predeparture appraisal —** an appraisal performed to determine if the costs of selling a home will create a financial burden on the employee. Nonbargaining employees who qualify for the Home Purchase Program are eligible for a predeparture appraisal.
- **Principal residence —** an employee's main home. Before the employee leaves the old job location, the principle residence is the *old residence*; at the employee's new job location, it is the *new residence.* The term *principal residence* does not include:
  - *Other homes* owned or maintained by the employee and/or members of the employee's immediate family.
  - *Seasonal or second homes,* such as a beach or vacation home.
- **Relocation e-mail address —** e-mail address used by transferring employees and hiring managers to obtain relocation information. They can contact the Relocation Unit: (1) in Outlook, by typing Relocation into the address line; or (2) from an outside server, by sending an email to *F47R00@usps.gov*.
- **Relocation consultant —** consultant assigned by the RMF to assist employees who are moving. The RMF consultant explains relocation benefits and answers questions about each phase of the relocation process.
- **Relocation leave —** paid time off related to relocation that is granted at the discretion of the employee's manager, generally for packing, delivering, and unpacking household goods. Employees are authorized to use up to 5 days (in 8-hour increments) of relocation leave, and the days do not have to be consecutive. Relocation leave is also available to the employee's spouse, if he or she is also employed by the Postal Service. (Relocation leave is charged to Code 080 in TACS.)
- **Relocation management firm (RMF) —** a company contracted by the Postal Service to provide: (1) counseling on Postal Service relocation policy; and (2) services related to residential transactions, movement of household goods, and reimbursement of relocation expenses.
- **Report-to-work date —** date on which an employee is required to report for duty at the new duty station.
- **Short sale —** a loss-mitigation solution, available through some lenders, offered to an owner of real estate who is *underwater* (or *upside down)* on a mortgage. This usually means that the value of the home is less than the amount owed to the lender. If an employee accepts the mortgage lender's offer of appraised value for a home using the short-sale process, the employee must adhere to the timelines defined in the home sale assistance purchase program.

  Note: When a home is sold through the short-sale process, the employee is not eligible for the loss-on-sale benefit.
- **Spouse employed by the Postal Service —** certain relocation benefits apply if an employee is authorized to receive relocation benefits and has a *spouse employed by the Postal Service.* The

employee’s spouse is not authorized to receive relocation benefits. However, the spouse can receive advance round trip travel and en route travel time if the employee’s relocation authorization includes these benefits. The spouse must use these travel benefits within the employee’s relocation time period.

- **Transferred employee —** a Postal Service employee transferred from one official duty station to another station within the Postal Service for permanent duty.

22 Eligibility for Relocation Benefits

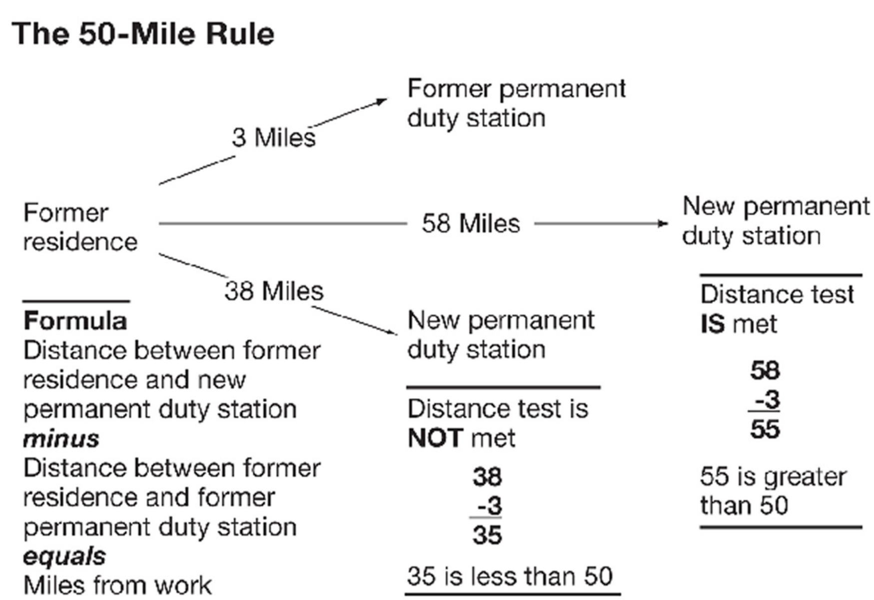
221 Distance Requirements

To qualify for relocation benefits, you must meet the following requirements:

a. The distance between your old residence and your new duty station must be at least 50 miles greater than the distance between your old residence and your old duty station. This is known as the Internal Revenue Service (IRS) *50-mile rule.*

b. You must physically move your household to the area of the new duty station.

Postal Service personnel use Internet mapping tools to verify the distance moved, and their determination is final. The illustration and formula below show how the rule works.



Note: If the result of the distance test is less than 100 miles, you must move at least half the distance closer to your new duty station.

222 Eligibility of External Hires

To be eligible for relocation benefits, external hires must meet the IRS 50-mile rule. Eligibility is not automatic; relocation benefits can be authorized only by the appropriate Postal Service officer.

If the move meets IRS guidelines for qualified moving expenses, the Postal Service officer may authorize any of the following benefits:

a. En route travel to the new duty station including per diem at the new duty station rate, and reimbursement of mileage and reasonable lodging expenses if the employee has to drive at least 300 miles a day. Family members are reimbursed at 75 percent of the employee's per diem rate calculated at the new duty station rate.

b. Movement and storage of household goods up to 18,000 pounds, with a 60-day storage limit.

Note: The real estate transaction reimbursements and arrangements outlined in this policy are not available to external hires.

223 Eligibility of Spouse Employed by the Postal Service

If you and your spouse are employed by the Postal Service and both are relocating to the same area, only one of you will receive full relocation benefits. Your spouse is eligible for partial benefits as a family member if he or she is moving with you, but not for full relocation benefits.

For example, your spouse may be eligible for advance round trip travel time for the purpose of seeking a permanent residence and en route travel when leaving the former residence and traveling to the new duty station. The time spent on these trips must be charged as work hours.

Note: Spousal benefits are described throughout this handbook.

224 Liability

You must: (a) meet the distance requirements described in 221; (b) remain at least 2 years in the new location; and (c) and physically move your household to the area of your new duty station. If you do not meet all of those requirements, you will have to repay the relocation expenses incurred by the Postal Service for you or paid to you. The amount may be prorated to reflect the time remaining in your 2-year agreement.

23 Limitations on Relocation Benefits

Relocation benefits are provided to help you move to your new duty station and assume the responsibilities of your new position as quickly as possible. Benefits are provided to help you offset the extra housing expenses you may incur for a short period of time. It is to your advantage to complete your move as quickly as possible.

231 Time Limit for Completing Relocation

You must complete your move and receive relocation benefits within 2 years from the date you report to work. All allowable travel and residence transactions must be completed and reimbursed to you within 2 years of your reporting date to your new duty station.

232 Time Limit for Beginning the Home Purchase Program

If you are eligible to participate in the Home Purchase Program, you must contact a relocation consultant within 45 days of your report-to-work date to begin the process. The 45-day period will not be extended, except as provided in 233.

233 Time Extensions

233.1 For Military Service

The period for completing your relocation may be extended for any time you spend in active military service.

233.2 For Duty Outside the Continental United Stated

If you are reporting for duty outside the continental United States (CONUS), you may have the relocation period extended if time is lost as a result of shipping restrictions.

234 Declining the Transfer

If you decline a transfer after you receive relocation funds from the RMF or incur a relocation-related expense paid by the Postal Service on your behalf, you must repay all relocation funds and reimbursements received, including all tax assistance.

235 Waiving Repayment of Relocation Expenses

If you are transferred to a new duty station for the benefit of the Postal Service before you complete the 2-year commitment, the following process is used to waive repayment of moving expenses:

a. The gaining area finance manager or functional Headquarters manager sends a letter requesting a waiver of repayment of all expenses to the manager, Travel and Relocation.

b. The appropriate functional vice president must approve the transfer; the approval must accompany the waiver letter.

c. All current fiscal-year costs of the original move will be transferred to the gaining office.

If you do not obtain a waiver, an employee receivable will be established for the repayment of all expenses associated with the previous move. The amount will be prorated based on the amount of time remaining in the 2-year agreement.

Note: If you are in the process of relocating and choose to accept a new position that requires another move, any unused relocation benefits from the current relocation will not be available after you receive authorization for new benefits.

236 Owning or Leasing a Residence at the New Duty Station

If you own or lease a home at your new duty station before you accept the transfer, and that home will become your principal residence, your relocation benefits will be limited. You will not be eligible for advance round trip or temporary quarters payments, and, thus, will not be eligible for a lump sum payment.

237 Relocation Benefits for Lateral Transfers and Downgrades

Relocation benefits are not available for lateral transfers or downgrades. In order to receive relocation benefits for a transfer from one duty station to another for permanent duty, the transfer must:

a. Be affected through the competitive process.

b. Result in a promotion for you.

c. Be in the best interests of the Postal Service.

If you request a transfer for your own convenience and benefit, competitively or non-competitively, relocation benefits will not be authorized.

238 Employees Affected by Organizational Change

238.1 Involuntary Reassignment

238.11 Organizational Change Process

During the Postal Service's organizational change process, an employee may be transferred involuntarily. The components of organizational change include:

a. Reduction in force (RIF) avoidance period.

b. Transfer of function process.

c. RIF process.

238.12 Types of Reassignment

The reassignment may be directed, a transfer of function, or a RIF assignment to:

a. The same type of position at a different duty station;

b. A different type of nonbargaining position at the same level or a lower level at a different duty station; or

c. A bargaining unit position at the same level or a lower level at a different duty station (see the *Employee and Labor Relations Manual* (ELM) 354, Assignment of Unassigned Employees).

238.13 Eligibility for Reassignment Benefits

An employee who is involuntarily reassigned to the same or a different type of nonbargaining position, as described in 238.12a or b, is eligible for the relocation benefits provided in this handbook if the employee meets the distance requirements in 221. The employee's relocation benefits are based on the level of the position that he or she is vacating.

An employee who is involuntarily reassigned to a bargaining unit position, as described in 238.12c , is eligible for relocation benefits only as provided by the applicable collective bargaining agreement.

238.2 Voluntary Reassignment

238.21 Types of Reassignment

During a component of the Postal Service's organizational change process, such as the RIF avoidance period or the specific RIF notice period, an employee may be voluntarily reassigned to:

a. The same type of position at a different duty station;

b. A different type of nonbargaining position at the same, lower, or higher level at a different duty station; or

c. A bargaining position unit at the same, lower, or higher level at a different duty station (see ELM 354).

238.22 Eligibility for Reassignment Benefits

Criteria for eligibility for reassignment benefits;

a. An employee who is voluntarily reassigned to the same or a different type of nonbargaining position, as described in 238.21a or b, is eligible for the relocation benefits provided in this handbook if the employee meets the distance requirements in 221.

b. If the employee is reassigned to a position at the same level or a lower level, the employee's relocation benefits are based on the level of the position that he or she is vacating.

c. If the employee is reassigned to a higher-level position, the employee's relocation benefits are based on the position to which he or she is reassigned.

d. An employee who is voluntarily reassigned to a bargaining position, as described in 238.21c, is eligible for relocation benefits only as provided by the applicable collective bargaining agreement.

238.3 Involuntary Separation

The following guidelines apply to eligibility for reassignment benefits for employees separated involuntarily:

a. If an employee's competitive area undergoes the RIF process, and

   (1) The employee does not receive a RIF assignment to any position; and

   (2) The employee is separated by RIF, the employee is eligible for the relocation benefits described in this handbook if he or she:

(a) Is reemployed by the Postal Service in a career position up to and including 1 year after the effective date of his or her RIF separation; and

(b) Meets the distance requirements in 221.

b. If the employee is reemployed in a position at the same or a lower level, the employee's relocation benefits are based on the level of the position from which he or she was separated.

c. If the employee is reemployed in a higher-level position, the employee's relocation benefits are based on the level of the position in which he or she is reemployed.

24 Relocation-Related Travel Time

If you are authorized for relocation benefits, you may be authorized reimbursement for relocation-related travel as described in this subchapter.

241 Advance Round Trip Travel Time

241.1 Policy

Advance round trip travel time to the new duty station is provided so employees can find a new residence within the area of their new duty station. The approving official can authorize one trip of no more than 10 consecutive calendar days (including travel time and holidays/scheduled days off).

When circumstances warrant, the Postal Service reserves the right to consider the distances between the old and new duty stations and the mode of transportation being used. In no case may the Postal Service authorize a trip of more than 10 consecutive calendar days for advance round trip travel.

241.2 Conditions

The following conditions apply:

a. You must take the trip before you report to your new duty station.

b. Time will be recorded as work hours for scheduled workdays during the period of absence for the approved advance round trip, and you will not be charged leave.

c. Expenses for this trip are included in the lump sum allowance (see 32).

d. You must drive your privately owned vehicle (POV) if the mileage from your old residence to your new duty station is less than 300 miles. Take the most direct route to limit the amount of travel time.

e. If you own or lease a residence within the commuting area of your new duty station, you are not eligible for the advance round trip or temporary quarters allowance.

f. If your spouse is employed by the Postal Service and is moving to the new duty location, your spouse may take this trip with, or instead of, you. Your spouse will be paid for work hours on scheduled workdays while on the trip and will not be charged leave. However, your spouse must take this trip before your family moves to the new duty station.

Note: This benefit is not available to external hires or individuals transferring to the Postal Service from another government agency.

242 En Route Travel Time

The approving official may authorize *en route travel time,* a one-way trip from a former residence to a new duty station. Employees should use the en route trip when reporting to work. The following conditions apply:

a. Your travel schedule must be coordinated with officials at both the old and new duty stations.

b. You will be in work status for scheduled workdays while traveling en route and you will not be charged leave.

c. You are required to drive your POV when the mileage to the new duty station is less than 800 miles. Take the most direct route to limit the amount of travel time.

d. You and your accompanying family members must drive at least 300 miles per day. If your travel time exceeds that of the most direct route, or you do not drive at least 300 miles per day, you must charge any extra travel time to annual leave.

e. If your actual travel involves departure or destination points other than the old and new residences, your authorized travel time cannot exceed the time of the most direct route between duty stations. You must charge any extra travel time to annual leave.

f. If your spouse is employed by the Postal Service and moving with you, he or she will be in work status while traveling en route and will not be charged leave for scheduled workdays.

Note: To be reimbursed for expenses, submit an online expense report as described in 61. Do not use the eTravel system for relocation benefits.

3 Expense Payments and Reimbursements

31 What This Chapter Covers

This chapter describes the following expense categories and explains the procedures for reimbursement:

a. Lump sum allowance.

b. En route travel expenses.

c. Miscellaneous expense allowance.

d. Individually billed travel card.

e. Tax assistance.

32 Lump Sum Allowance

321 General Conditions

If authorized, you will receive a calculated lump sum allowance intended to assist in offsetting expenses related to:

a. Finding a home (advance round trip allowance for one trip).

b. Obtaining commercial lodging for 30 days (temporary quarters allowance).

322 Authorizing a Lump Sum Allowance

The approving official determines whether you receive either of the lump sum components in 321. To be eligible for an advance round-trip allowance, your old residence and new duty station must be at least 75 miles apart (as measured by map distance) via a usually traveled surface route.

The authorization of a lump sum allowance depends on factors such as:

a. The distance between the old residence and the new duty station.

b. The transportation mode.

c. Whether the transferee has had a prolonged detail at the new duty station.

d. Whether the transferee owns or leases a residence at the new duty station that will become his or her principal residence.

323 Calculation and Payment

323.1 Calculation

If funds are authorized for an advance round trip, you will receive a calculated lump sum that enables you and/or one of your immediate family members to find permanent housing at the new duty station. The lump sum is calculated:

a. Based on your family composition and the distance to your new duty station.

b. By the RMF, based on the General Services Administration (GSA) per diem rates published for your new duty station.

323.2 Payment

The lump sum amount is paid by the RMF, as follows:

a. The authorization must be received by the RMF and processed by the Relocation Accounting Unit at Headquarters prior to payment.

b. You must request payment of your lump sum allowance through the online expense reporting system on the RMF website.

323.3 Components

The lump sum may include an advance round trip component, a temporary quarters component, or both. These components are described in 323.31 and 323.32.

323.31 Advance Round Trip

323.311 Benefits Provided

The advance round trip component will provide the following:

a. **One advance round trip:**

   (1) Taken with your spouse, consisting of a single amount determined by multiplying the GSA daily lodging and meals/incidentals rate for the new duty station by 6.25 (see *GSA.gov)*; or

   (2) Taken by you **or** your spouse, consisting of a single amount determined by multiplying the GSA daily lodging and meals/incidentals rate for the new duty station by 5 (see *GSA.gov)*.

b. **Travel allowance:**

   (1) Travel by the transportation mode (e.g., airline, train, POV) determined to be most advantageous by the Postal Service for one round trip to the new duty station; or

   (2) Transportation expenses for one additional round trip at the government city pairs rate for one immediate family member who is moving with you.

c. **Car rental allowance:**

   (1) At the government/military contract rate, not to exceed $400.

   (2) Available only to those who do not use their POV to take an advance round trip, due to policy distance restrictions.

323.312 **Requirements**

If the new duty station is less than 300 miles from your old residence, you will receive an amount equal to the round trip mileage plus 100 miles at the published IRS standard mileage rate.

You will be reimbursed at the current per diem and mileage rates published on the *GSA.gov* website under *Most Requested Links.*

323.32 Temporary Quarters

The temporary quarters component includes:

a. Thirty days per diem (lodging and meals/incidentals) at 75 percent of the daily GSA locality rate at the new duty station for the transferee.

b. Thirty days at 25 percent of the meals/incidentals daily GSA rate for each dependent moving with the transferee.

Note: The actual number of trips or days spent in temporary quarters does not change the basis for calculating the lump sum allowance.

33 En Route Travel Expenses

331 En Route Travel

En route travel occurs when you and/or your family leave your old residence to report to the new duty station. You must use the en route trip to report to work or to accompany your family to the new duty station when they vacate the old residence. Your family may travel with you or separately at a later date.

331.1 Expenses for Transportation, Lodging, and Per Diem

If authorized, you and your family are eligible for reasonable lodging expenses, POV mileage, coach air or train fare, and transportation to and from terminals, plus the following:

a. *For you:* 75 percent of the daily per diem rate of your new duty station for the first and last day of travel. Full per diem for all other days you are in a travel status.

b. *For your spouse:* 75 percent of your per diem rate if traveling with you; or the same rate afforded to you, if your spouse is traveling alone.

c. *For each of your other immediate family members:* 75 percent of your per diem rate.

331.2 Exclusion for the 12-hour Rule

Per diem is usually not allowed for less than 12 hours of travel. However, this exclusion does not apply when the total distance traveled is more than 100 miles.

331.3 En Route Travel Completed in One Day

When en route travel is completed in one day, per diem will be applied as follows:

a. *For you:* 75 percent of the daily per diem rate of your new duty station.

b. *For your spouse and immediate family members:* 75 percent of your daily per diem rate.

c. *For a spouse who does not accompany you and travels alone:* 75 percent of the daily per diem rate of the new duty station.

332 Using a Privately Owned Vehicle for En Route Travel

332.1 Privately Owned Vehicle

You must travel to your new duty station in a privately owned vehicle (POV) if the distance from your old residence to your new duty station is less than 800 miles. The Postal Service will reimburse mileage at GSA rates (see *GSA.gov).*

332.2 Requirements

332.21 Minimum Travel Distance

You must drive at least 300 miles per day and use the most direct route when traveling from your old residence to your new duty station or residence. If you deviate from the most direct route, you will be responsible for the extra expenses or time incurred.

332.22 Computing Per Diem Rates

The RMF calculates the maximum number of days allowed for travel by dividing your one-way mileage by 300 miles and applying the per diem percentages in 331.1 to the result.

332.23 Deviating From the Most Direct Route

If you choose to travel by a route that departs from or arrives at destination points other than your old and new residences, reimbursement for mileage, lodging, and per diem will not exceed the amount authorized for travel between your old and new duty stations.

333 Government- or Postal Service-Owned Vehicle

The use of a government- or Postal Service-owned vehicle for relocation-related travel is not authorized.

334 Claiming En Route Travel Expenses

To request reimbursement for relocation expenses, including en route travel, submit a claim using the RMF's online expense-reporting system. Your relocation consultant will explain how to submit expense reports. See Chapter 6 for a detailed description of the requirements for submitting an expense report.

Note: Do not use eTravel to request reimbursement for relocation expenses.

34 Miscellaneous Expense Allowance

341 Amount of Benefit

You may be eligible to claim $2,500 as a miscellaneous expense allowance (MEA), regardless of your marital or family status. This benefit is intended to cover any relocation-related expenses not otherwise covered by the Postal Service. Itemization is not required for reimbursement.

To qualify for this benefit, a triggering event, as described in 342.2, must indicate that a move is imminent.

342 Requesting Payment

342.1 Criteria for Payment

You must meet the following criteria to receive payment of the MEA:

a. Your PS Form 50 has been processed by the Human Resources Shared Services Center.

b. Relocation Accounting at Headquarters has notified the RMF that your PS Form 50 has been processed.

c. The RMF has received your request for payment of the MEA through its online expense-reporting system.

342.2 Triggering Events

In addition, one of the following triggering events must have occurred:

a. You have sold your old residence or broken your lease at the old duty station.

b. You have a completed contract to purchase or lease a residence at your new duty station.

c. You have scheduled and begun the movement of your household goods.

35 Using the Individually Billed Travel Card

You may use your travel card to make travel arrangements for yourself and authorized family members, but you must make these arrangements as if you were traveling for official Postal Service business. (For further information, see Handbook F-15.)

The following provisions apply to use of the individually billed travel card:

a. If you use your individually billed travel card to purchase meals, lodging, or transportation, you must pay the travel card issuer directly.

b. To obtain government rates, you must charge air fare to your individually billed travel card.

c. You may use your travel card to pay for temporary quarters while waiting to occupy your permanent residence at the new duty station.

d. **Do not** use your individually billed travel card for non-travel-related relocation expenses, such as:

   (1) Residence transactions.

   (2) Deposit that will be returned to you.

   (3) Shipment of household goods.

Note: Submit requests for reimbursement of relocation expenses through the RMF. Do not use the eTravel system. Once you receive reimbursement, you must pay the travel card issuer directly.

36 Tax Assistance

361 Explanation

361.1 What Is Covered

For tax purposes, some reimbursements paid to you or payments made on your behalf for relocation expenses are considered part of your taxable income.

a. *Tax assistance* is an amount the Postal Service pays directly to these organizations:

   (1) *Internal Revenue Service* (IRS) for your federal taxes.

   (2) *Social Security Administration* for the employee portion of old age, survivors, and disability insurance (OASDI).

   (3) *Your state of residence,* on your behalf, as an estimate of the income tax you will owe for certain relocation expense reimbursements and payments.

b. Tax assistance is calculated based on your new annual salary and the family status information you have provided. Further:

   (1) Each payment or reimbursement paid to you by the Postal Service and the RMF includes your estimated tax assistance.

   (2) **You are responsible for paying any additional tax owed that is not included in the estimated amount paid by the Postal Service and the RMF.**

361.2 What Is Not Covered

The Postal Service does not provide tax assistance for Medicare taxes, the home sale incentive bonus, the loan origination fee, or local income taxes.

362 Employee Responsibilities

For state income tax purposes, the RMF must use the state tax code on file in your master file record at the Eagan Accounting Services Center (ASC). You are responsible for maintaining the correct state code. To accomplish this, complete a copy of PS Form 1198, *Request for State Income Tax Withholding,* and mail it to this address:

HUMAN RESOURCES SHARED SERVICES CENTER
PO BOX 970100
GREENSBORO NC 27497-0100

If the state tax code does not match the finance record or a state with reciprocity, when reports your state taxes the Eagan ASC will change the code to that of the mailing address of your duty station finance number.

363 Relocation Expenses Not Subject to Income Tax Withholding

363.1 Qualified Relocation for IRS Purposes

If your move is considered a *qualified relocation* by the IRS, reimbursements and payments made on your behalf for certain business-related expenses may not be subject to federal income tax withholding as long as certain IRS guidelines are met.

Qualified relocation expenses may include:

a. Expenses for moving household goods from your former residence to your new residence at the new duty station.

b. Expenses reimbursed for lodging and a portion of the POV mileage allowance that you and your immediate family incur while traveling to the new residence.

c. Expenses for the first 30 days of storing household goods.

Note: These payments/expense reimbursements may nonetheless be subject to income tax withholding if the IRS decides that the relocation is *unqualified*. For example, if your move does not meet the distance requirements in 221, the IRS considers the move to be *unqualified.*

363.2 Employee Responsibilities

In order to properly withhold these payments and expense reimbursements from your taxable income, you must adequately account for these expenses within a reasonable period of time:

If you do not adequately account for expenses, within a reasonable period of time, payments made on your behalf or reimbursements for otherwise qualified expenses may be subject to income tax withholding.

363.21 Adequate Accounting

Adequate accounting means documenting your expenses correctly. (See Chapter 6.)

363.22 Reasonable Period of Time

What constitutes a *reasonable period of time* can vary, depending on your particular situation. The following actions will generally be treated as meeting the reasonable-period-of-time requirement:

a. You adequately account for your expenses within 60 days after you incurred the expense or were reimbursed.

b. You return any excess reimbursement within 120 days after you incurred the expense or were reimbursed.

364 Relocation Expenses Subject to Income Tax Withholding

364.1 Transactions Reported as Income

The Postal Service will report the following as income on your Form W-2, *Wage and Tax Statement:* All relocation-related expenses and reimbursements required by the IRS to be included in your taxable income. This includes:

a. En route trip expenses for all meals and a percentage of the mileage reimbursement based on IRS guidelines.

b. The lump sum allowance.

c. Expenses related to the sale of your old residence and the purchase of your new residence that may be taxable, such as the home sale incentive payment, loss on sale reimbursement, and lease-breaking expenses.

d. The miscellaneous expense allowance.

e. The expense of storing household goods for more than 30 days.

f. Tax assistance.

364.2 Reporting Moving Expenses and Withholding Taxes

The RMF calculates and the Postal Service pays taxes at your estimated federal and state tax rate, rounded to the nearest dollar. When you file your tax returns, you, the IRS, and your state tax authority determine your actual liability. Relocation payments and all Postal Service-paid tax assistance will appear on your Form W-2.

Around the time you receive your Form W-2 from the Postal Service, the RMF provides a relocation summary package that documents all payments made to you or to a third party on your behalf.

4 Movement and Storage of Household Goods

41 Making Shipping Arrangements

411 Policy

You must use the services of the relocation management firm (RMF) for the transportation and storage of your household goods. The relocation consultant provided by the RMF will explain what can and cannot be shipped or stored.

412 RMF Services and Employee's Responsibilities

412.1 RMF Services

The Postal Service has a contract with an RMF to provide relocation moving services to its employees. The Postal Service pays for transporting your household goods in one lot from your old residence to your new residence at the new duty station.

The RMF coordinates activities associated with the shipment of household goods to your new duty station, such as:

a. Appointing a consultant to review procedures with you and establish a moving date.

b. Selecting a qualified van line or agent.

c. Determining what can and cannot be shipped or stored.

d. Monitoring packing, loading, and arrival schedules.

e. Resolving and processing damage claims (if any).

f. Shipping household goods up to a total net weight of 18,000 pounds.

g. Providing $180,000 (maximum) current-replacement-value insurance on household goods.

h. Providing a $2,000 (maximum) allowance for crating and uncrating items that require this service, as identified by the RMF agent or van line.

i. Providing a $750 (maximum) allowance for disassembly and assembly of recreational items, such as pool or other game tables.

j. Storing household goods up to 60 days (if necessary). The approving official may authorize up to 15 additional days, but no more.

412.2 Employee's Responsibilities

You are responsible for the following:

a. Ensuring that only your immediate family's personally owned household goods are shipped.

b. Paying for and making your own arrangements for shipping certain goods that the RMF does not handle, such as:

 (1) Airplanes, collectible or antique cars, camper trailers, boats over 14 feet that do not fit in the moving van, utility and boat trailers, storage sheds, handguns, ammunition, pets, birds, livestock, or building materials

 (2) Any collection of property intended for use in conducting a business, other commercial enterprise, or hobby.

c. Paying for: (1) additional insurance; (2) excess charges; and (3) special packing, crating, and handling of household goods items beyond the weight and other limits authorized by the Postal Service.

d. Paying for and making your own arrangements for shipping household goods: (1) over the 18,000 pound limit; (2) obtained en route to your duty station; and (3) that the RMF consultant or van-line agent have identified as not appropriate for shipping .

e. Paying for an extra pickup or drop-off of household goods within a reasonable distance from the authorized departure/destination points.

42 Privately Owned Vehicle

421 Explanation

421.1 What Is Included

A *Privately Owned Vehicle* (POV) includes a passenger automobile, light truck, or other similar vehicle that is used primarily for personal transportation to and from work on a daily basis.

421.2 What Is Excluded

The term POV excludes any vehicle intended for commercial or recreational use, including automobiles classified as collectible or classic.

422 Shipping a Privately Owned Vehicle

Authorization for shipping a POV by car carrier will be considered only if you owned the POV before you became aware that you would be assigned to a new duty station. The following conditions apply:

a. You may ship one POV by car carrier if the mileage from your old residence to your new duty station is more than 800 miles;

b. You may ship two POVs by car carrier: (1) if the distance from your old residence to your new duty station is more than 800 miles; and (2) more than one licensed driver among your immediate family members is moving with you.

c. Under no circumstances will shipment by car carrier be authorized for more than two POVs.

d. If either the old or new duty station is outside CONUS (i.e., Hawaii, Guam, Puerto Rico, U.S. Virgin Islands) only **one** POV will be authorized for shipment, regardless of the number of licensed drivers in your immediate family.

423 Moving a Privately Owned Vehicle

423.1 Driving a Privately Owned Vehicle to the New Duty Station

423.11 Mileage Requirement

If the distance from your old to your new residence is less than 800 miles, you must use a POV and take the most direct route when you drive to your new duty station.

423.12 Reimbursement

The following rules apply to reimbursement for mileage when using a POV:

a. When you or a member of your immediate family drives an authorized POV to the new duty station, mileage reimbursement for each authorized POV will be at the rate listed for the vehicle type on the *GSA.gov* travel website.

b. If immediate family members are not moving with you, you may claim reimbursement for driving one POV to the new duty station.

c. If immediate family members are moving with you, you may claim reimbursement for driving as many POVs as there are licensed drivers moving with you.

424 Shipping a Privately Owned Vehicle Outside CONUS

If you need to ship a POV from outside CONUS to the mainland or vice versa, the following guidelines apply:

a. The Postal Service will reimburse these expenses:

   (1) Customary expenses at the port of embarkation, including crating and packing expenses, shipping charges, and port charges for preparing the POV to be shipped.

   (2) Customary expenses at the port of debarkation, including uncrating.

   (3) One-way transportation costs or mileage if you must drive to pick up or deliver a POV to a port other than the port of origin or destination.

b. When determining whether to authorize POV shipping costs, the Postal Service will compare the cost of shipping with the blue book value of the POV.

c. Postal Inspection Service employees will be given a reasonable allowance to obtain a rental car at their new duty location when they ship a POV to or from locations outside CONUS.

43 Moving a Mobile Home

If you are eligible for an allowance to ship household goods, you may choose to take an allowance for moving a mobile home to use as your new residence (within CONUS only). The following rules apply:

a. You must make your own arrangements because the RMF does not arrange for the shipment of mobile homes.

b. The benefits you receive for moving a mobile home are provided in lieu of shipment of household goods and in addition to payment for en route travel.

c. In order to receive this allowance, your relocation authorization must state that you (and your immediate family) will live in the mobile home at your new duty station.

431 Computing Distances

If you choose to move a mobile home either by commercial carrier or by towing it with a POV, reimbursement will be calculated based on mileage for the most direct route between your old and new residences.

432 Computing Benefits

432.1 How Much You May Claim

The total amount authorized for moving a mobile home will be no more than the maximum amount that would have been allowed for moving up to 18,000 pounds of household goods and storing them for a maximum of 75 days. (See 412.1j.)

432.2 Nonreimbursable Items

The following services are not reimbursable:

a. Costs of maintenance, repair, storage, and insurance for valuing the home above the carrier's maximum responsibility.

b. Charges designated in the tariffs as *special services,* including services for transporting a mobile home, such as packing and unpacking, that are necessary or desirable, but not essential.

Note: Certain charges required by state law, such as pilot cars, may be reimbursed.

432.3 Transportation by Other Than Commercial Carrier

If you tow a mobile home with a POV, the benefits are as follows:

a. The Postal Service will pay 11 cents per mile above the IRS mileage rate to cover all transportation costs.

b. You will not be reimbursed for bridge, road, and tunnel tolls, ferries, and other travel-related charges.

c. If you have not been paid for en route travel to your new duty station, you may claim the standard mileage rate for a POV in addition to the mileage rate for the mobile home.

432.4 Mixed-Method Transportation

If you move your mobile home using a combination of commercial carrier and towing with your POV, follow the rules in 432 to determine reimbursement.

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5 Residence Transactions and Lease Break

51 Conditions and Requirements

511 Predeparture Appraisal

If you are eligible for the Home Purchase Program, you may request a *predeparture appraisa*l to determine if selling your residence will create a financial burden when you relocate. To qualify for a predeparture appraisal, you must meet all requirements for relocation benefits and own a home in your current duty location.

a. If you request this option, the hiring manager will use the relocation template to notify the RMF to schedule an appraisal of your home. When you receive the appraisal, you have 48 hours to accept or decline the job offer, based on the likelihood of selling your home at a reasonable price.

   Note: No other relocation benefits may be used during the appraisal period.

b. If you accept the job offer, Headquarters Accounting will finalize the relocation authorization.

c. If you decline the job offer, the hiring manager's relocation authorization will be canceled.

d. The relocation authorization will be finalized **only** if you accept the job offer.

Note: Employees must meet all eligibility requirements for relocation benefits and must own a home in the current duty location to qualify for a predeparture appraisal.

512 Settlement Expenses

Postal Service policy may allow reimbursement of authorized settlement expenses, such as certain fees for:

a. Selling your principal residence at your old duty station.

b. Buying or constructing your principal residence at your new duty station (only fees associated with obtaining financing).

c. Breaking a lease for your principal residence at your old duty station.

d. Obtaining rental quarters as your principal residence at your new duty station (available in certain high-cost metropolitan areas as determined by the Postal Service).

513 Conditions for Reimbursement or Payment

To be eligible for reimbursement or payment on your behalf, you must meet all of the following conditions:

a. The title to the residence (which may be a mobile home) at the old or new duty station, or the interest in a cooperatively owned dwelling or an unexpired lease, meets one of the following criteria:
   (1) It is in your name alone.
   (2) It is jointly in your name and in the name of one or more members of your immediate family.
   (3) It is solely in the name of one or more members of your immediate family.

b. The title cannot be held in a trust.

c. For disposition of property at the old duty station, you or your immediate family must have acquired the title or interest in the property **before** you were informed of the transfer.

d. For acquisition of property at the new duty station, you or your immediate family must have acquired title or interest in the new property **after** you were informed of the transfer.

e. The expenses of selling a home or settling a lease are for your principal residence at the time you were informed of the transfer.

f. The settlement dates for selling or terminating the lease on your old residence and purchasing your new residence are not later than 2 years after the report-to-work date at your new duty station.

g. You paid the expenses and occupied the home.

h. If the residence is a multiple-occupancy dwelling and you occupy only part of it, your expenses will be reimbursed or paid on a prorated basis. In addition, your expenses will be limited to a reasonable amount required for the residence site.

i. Expenses will not be reimbursed or paid for the purchase or sale of more than five acres.

j. The maximum home value for which allowable closing costs will be reimbursed is $800,000. Any costs attributable to home values over this amount are not reimbursable, and you must pay them.

Note: Noncompliance with the conditions listed in this section may result in an adjustment to your reimbursable settlement costs.

52 Selling Your Home at the Old Duty Station

521 Home Sale Assistance Programs

When you elect to sell your home at your old duty station, you must use the RMF network of brokers/agents to be eligible for reimbursement of residence transaction costs.

The RMF provides two optional home sale assistance programs: the Home Purchase Program (HPP) and the Buyer Value Option Program (BVO). These programs comply with IRS guidelines for third-party home sale transactions that do not result in taxable income to the relocating employee, thus providing considerable tax savings to the Postal Service and the employee. Eligible employees are encouraged to participate.

Both programs work as follows: (a) the RMF buys your principal residence at your old duty station directly from you; (b) then the RMF sells the residence to an outside buyer.

a. When you contact the RMF, you will receive the names of affiliated primary brokers in your neighborhood.

b. Ask the RMF to begin the listing period within 45 days of your report-to-work date.

c. Under the HPP, the RMF will schedule a home inspection and at least two appraisals. When they have been completed, the RMF will purchase your home through a *guaranteed buyout* offer. The offer price is determined by averaging the value of the two appraisals.

d. Before you accept the buyout (HPP), and while the home is listed, you may receive an acceptable purchase offer from an outside buyer. If you decide to accept, **do not sign the purchase offer presented by the prospective buyer.**

e. Notify the RMF immediately and let the RMF close the sale.

f. The RMF will amend its guaranteed buyout offer (HPP) to the price you have negotiated, buy your home, and then sell it to the outside buyer.

The HPP and BVO programs are intended to meet IRS guidelines related to third-party home sale transactions that do not result in taxable income to the relocating employee. Both programs require that your home be listed with an RMF network broker/agent until it is sold.

522 Home Purchase Program

The *Home Purchase Program* (HPP) is a home sale assistance program available to the employees listed in 112 (EAS 23 and above, and the equivalent.) To participate in the HPP, you must list your home with an RMF network broker/agent. Subchapter 53 describes the program in detail.

523 Buyer Value Option Program

The *Buyer Value Option Program (BVO)* is a home sale assistance program available to all nonbargaining employees. It does not provide a *guaranteed-buyout* offer. To use the BVO, you must work with the RMF broker/agent network, list the home, and find a buyer on your own. Subchapter 54 describes the program in detail.

524 Direct Reimbursement

The *direct reimbursement* option is not part of the home sale assistance programs described in 521, 522, and 523. This program allows you to sell your home without inspections, other than those required by any potential buyer. Direct reimbursement works as follows:

a. You must list your home with an RMF network broker/agent to be eligible for reimbursement of closing costs.

b. After the sale is closed, you submit a request for reimbursement through the RMF online expense reporting system.

c. When you use this process, you are not eligible for the home sale incentive.

d. Using this option leads to taxable income for you and additional costs for the Postal Service. The taxable income will be reflected in your Form W-2.

525 Working With the RMF's Network of Real Estate Brokers/Agents

You must use the RMF's network of brokers/agents in order to claim residence transaction expenses. If you use an agent outside of the RMF network, you may not be eligible for reimbursement, unless the outside agent agrees to pay a referral fee to the RMF. The following conditions apply:

a. You are required to list your home for sale and market it actively for at least 30 days before the RMF is permitted to purchase it (unless you obtain an outside sale).

b. You must keep the home listed until it is sold.

c. You must protect yourself against a real estate commission claim. Make sure that the agent you select is willing to include a *no-obligation-for commission* statement in the listing agreement. A sample statement is shown in Exhibit 525.

Exhibit 525
Listing Agreement

This Listing Agreement is subject to the following provisions:
It is understood and agreed that regardless of whether or not an offer is presented by a ready, willing, and able buyer: 1. No commission or compensation will be earned by or be due and payable to the broker until the sale of the property has been consummated between seller and buyer, the deed delivered to the buyer, and the purchase price delivered to the seller, and

This Listing Agreement is subject to the following provisions:
2. The sellers reserve the right to sell the property to (Name of Relocation Company or Employer) or (Name of any other party to be covered by this exclusion clause, individually and collectively a “Named Prospective Purchaser”) at any time. Upon the execution by a Named Prospective Purchaser and me (us) of an Agreement of Sale with respect to the property, this listing agreement shall immediately terminate without obligation on my (our) part or on the part of any Named Prospective Purchaser to either pay commission or to continue the listing.

d. If a broker refuses to include this statement in the listing agreement, do not sign the agreement. Contact the RMF consultant.

e. You may assure the broker that if he or she presents an offer that results in an *amended sale* to the RMF, the broker will still receive a real estate commission. In an amended sale, the commission is paid by the RMF, not by the seller.

f. If you receive an acceptable purchase offer from the broker and would like RMF to handle the sale, **do not sign the purchase offer.** Contact your RMF consultant immediately.

526 Marketing Assistance

Marketing assistance is an optional service available to nonbargaining employees who are eligible for home sale assistance. You can obtain marketing assistance soon as you initiate contact with the RMF. The RMF will provide home-marketing advice to you and your broker/agent, with the goal of helping you get the best possible price for your home in a reasonable period of time.

53 Home Purchase Program

531 General Explanation

The *Home Purchase Program* (HPP) enables you to relocate quickly and assume the duties of your new position at your new duty station by extending a guaranteed buyout offer to you. This program is available to the employees listed in 112, and is optional. Only employees level EAS 23 and above (and the equivalent) are eligible for the Home Purchase Program. HPP works as follows:

a. The RMF establishes the value of your home through appraisals and then purchases the home from you on behalf of the Postal Service.

b. You must initiate this benefit within 45 days of the report-to-work date for your new assignment.

c. This program is intended to meet IRS guidelines providing for third-party home sale transactions that do not result in taxable income to the relocating employee.

If you receive an offer you would like to accept, **do not sign any agreement** with the buyer or buyer’s agent—contact your RMF broker or consultant immediately.

532 Incentive Payment

If your home qualifies to participate in the HPP, and you obtain a sale from an outside buyer before you accept a guaranteed-buyout offer from the RMF, you can earn an incentive payment, as follows.

a. If your sale to the outside buyer closes, and your home sells within the first 30 calendar days after you receive a purchase offer from the RMF (or before the RMF makes an offer), the RMF will pay 5 percent of the purchase price of your home.

b. After the 30-calendar-day period has expired, the RMF will reduce the incentive payment to 2 percent of the purchase price.

c. The incentive payment is subject to income tax withholding and is not tax-assisted.

533 Eligibility

533.1 Requirements

This program may be authorized for nonbargaining (EAS) personnel level EAS 23 and above (and the equivalent), including Management and Technical Pay band and Attorney Compensation System employees.

To begin the home purchase program, you must:

a. List and market your home for sale with an RMF network real estate broker/agent and be sure to include the *no-obligation-for-commission* clause shown in Exhibit 525.

b. Begin this program no later than 45 days from your report-to-work date at your new assignment.

Note: You and your new manager must ensure adherence to the 45-day time frame.

533.2 Criteria

The following criteria must be met:

a. The home must be your principal residence and can be no more than a two-family residence. If the home is a two-family residence, it must be occupied only by you and your immediate family, as defined in 212.

b. The title to the home must comply with the conditions stated in 513, Conditions for Reimbursement or Payment.

c. The distance between your old residence and your new duty station must be at least 50 miles greater than the distance between your old residence and your old duty station. See the 50-mile rule in 221, Distance Requirements.

d. Before you initiate the HPP, your home must be listed for sale with an RMF network broker/agent, and it must remain on the market for sale for at least 30 days before the RMF is permitted to purchase the home, unless you obtain an outside sale.

e. The home's anticipated sale value must be at least $50,000 and no more than $800,000 (as determined by the Postal Service). The RMF will order a broker's market analysis to determine if it meets the minimum and maximum value criteria before the HPP process can begin.

f. The home must be situated on no more than five acres of land.

g. To continue participation in this program after the first 30 days of marketing, you must lower your listing price to within 5 percent of the broker's market analysis or 5 percent of the appraised value (if available).

534 Home Inspections and Responsibility for Disclosure

Before you register for the HPP, and before the 45-day initiation period ends, you must correct all known disqualifying conditions of your home at your own expense. After assessing the condition of your home, you must decide whether or not to pursue the qualification process, which works as described below:

534.1 Inspections That May Be Performed

Homes that are eligible for the HPP will be inspected by the RMF in order to determine whether they qualify for the program. The RMF will notify you in writing (a) when an inspection is ordered; and (b) if a disqualifying condition will cause your home to be ineligible for the program. Exhibit 534.1 lists some of the inspections that may be ordered.

Exhibit 534.1
Inspections That May Be Performed

Type of Inspection	Conditions
Toxic substances and mold[1]	If suspected or disclosed by any party, an inspection is mandatory. Accordingly, you must decide whether or not to continue with the Home Purchase under these circumstances. Positive test results will permanently disqualify the home from the Home Purchase Program and must be disclosed to any potential buyers.
Pest	With the exception of condos, all homes are inspected for pests. A positive test result requires remediation at your expense to continue in the Home Purchase Program.
Structural	Homes 25 years or older or if a problem is observed or disclosed by any party.
Roof	Any roof 10 years or older or with a roof life of less than 5 years, any roof other than asphalt shingles regardless of age, or if a problem is observed or disclosed by any party.

Type of Inspection	Conditions
Special conditions	Presence of any/all of the following mandates an inspection: ■ In-ground pools, hot tubs, septic systems, wells, and underground storage tanks. ***Note:*** If you have an underground storage tank on your property, you must have current documentation showing compliance with local, state or federal laws before beginning any home sale assistance program. If the tank is abandoned, it must be removed at your expense prior to initiating the program.
Condos	Any inspection recommended by appraisers or the RMF due to potential issues disclosed by any party.
Other inspections	Any inspection recommended by appraisers or the RMF due to potential issues disclosed by any party.

*1 To remain in HPP, remediation at your expense is required for any inspection resulting in a positive finding. However, finding of **toxic mold** permanently eliminates your home from the HPP and BVO home sale assistance programs. Remediation of mold is not permitted.*

534.2 Radon Gas

Instead of inspecting your home for radon gas, the RMF provides a radon gas contamination warranty to the buyer of a home purchased through the HPP. Therefore, if you know that your home is contaminated with radon gas, you must fix the condition at your own expense before initiating the program.

535 Homes Ineligible for the Home Purchase Program

535.1 Disqualifying Conditions

Once you initiate the HPP, the RMF will notify you in writing if any disqualifying condition is identified during inspections. Some disqualifying conditions can be corrected.

a. If the RMF finds a disqualifying condition that can be corrected:

(1) You must repair it at your own expense, in coordination with the RMF, using a licensed qualified provider.

(2) Repairs must be completed within the 60-day acceptance period after the date of the written notification of value.

(3) If you do not correct the disqualifying conditions, your home will not be eligible for either the HPP or the BVO Program.

b. If the RMF requests a repair warranty, you must provide it. The RMF determines whether the disqualifying condition has been repaired.

535.2 List of Ineligible Homes

Exhibit 535.2 lists the types of homes that are ineligible for the HPP.

Exhibit 535.2
Homes Ineligible for the Home Purchase Program

- Mobile homes, houseboats and yachts.
- Uninsurable homes.
- Homes that cannot be financed.
- Homes that are not in marketable condition, as determined by the Postal Service.
- Homes with structural defects or a roof life of less than 5 years, as determined by the Postal Service.
- Homes on which construction has not been completed.
- Seasonal homes, farms, or properties zoned agricultural.
- Homes contaminated with radon gas, lead paint, mold, asbestos, urea formaldehyde foam insulation (UFFI), synthetic stucco, and other toxic or hazardous substances.
- Homes that produce income.
- Two-family residences not occupied by immediate family.
- Multifamily residences.
- Homes that do not comply with state and local codes.
- Homes on land that is leased or cooperatively owned.
- Homes with an outbuilding other than a garage used for parking a personal vehicle. (See 535.3, Outbuilding Exception).
- Homes where title is not clear or title is in the name of a person other than the employee or an immediate family member.
- Homes held in trusts.
- Homes involved in litigation or included in current or pending divorce or separation property settlements.
- Homes with active pest infestations such as termites.
- Homes with deferred maintenance.
- Homes valued at less than $50,000 or more than $800,000, as determined by the Postal Service.
- Other similar residences with any condition that will adversely impact sale of the home or create a known financial liability for the Postal Service.
- Homes located on more than five acres of land.

535.3 Outbuilding Exception

If your home has an outbuilding that is not a garage, an exception can be made if the type of outbuilding is customary to the area, with the understanding that you will be liable and responsible for the following:

a. Expenses incurred for any additional inspections or appraisals required on the outbuilding, as determined by the RMF.

b. Expenses for repairs required as a result of inspection.

c. Completing the repairs before the RMF purchases the home.

536 Home Evaluation

536.1 The Evaluation Process

536.11 How the RMF Evaluates Your Home

The RMF offers a complete evaluation of your home, a process that is typically completed within 35 days and is performed as follows:

a. Once the home has been listed for sale with an RMF agent, your consultant will send you a list of appraisers to interview and rate. You will rate the appraisers from one to five (or six) and return the list to your consultant. The RMF will ask the appraisers you have chosen to contact you and set up an appointment.

b. Two primary appraisers will evaluate your home to provide an anticipated sales price based on a 90- to 120-day marketing period. An alternate appraiser may be used if one of your primary choices is not available or a third appraisal is required.

c. In addition to coordinating the appraisals, the RMF appoints a property inspector to check for defects. If structural or other defects are found, you are responsible for completing the required repairs at your expense before the RMF can purchase your home.

d. After your RMF consultant reviews the appraisals and inspection reports, the consultant will contact you to deliver your home's appraised value.

e. The appraised value may be delayed for any of the following:

   (1) You have not completed the paperwork or provided the documentation required by the RMF to complete your home file.

   (2) The two appraised values averaged together result in a variance of more than 5 percent; this means a third appraisal is required.

   (3) Further inspections are required.

   (4) Other extenuating circumstances.

f. The following factors affect the appraised value of your home:

   (1) Comparable sales values in your area.

   (2) Current real estate market conditions in your area.

   (3) Resale time projections common for the area.

536.12 Your Options

If you would like the appraisers to consider comparable sales in the immediate area of your home, complete the comparable sales form in the RMF's online program. The RMF consultant can explain how to fill out the form.

If you are eligible to use the residence-transaction programs to help you sell your home, or you intend to purchase a home at the new duty station, select an RMF network broker/agent to represent you. You will then be eligible for real estate transaction reimbursements.

536.2 Determining the Appraised Value

The appraised value of your home is determined as follows:

a. The RMF reviews two appraisals and the values are averaged together.

b. This value is a guaranteed buyout offer and is referred to as the *appraised value.*

c. If the difference between the two appraisals is more than 5 percent, then

   (1) The RMF must order a third appraisal to be performed by an alternate appraiser, if one is available.

   (2) The RMF consultant is not permitted to release any of the values to you until he or she reviews the third appraisal.

   (3) The appraised value is determined by averaging the two appraisals that are closest in value.

536.3 Request to Reevaluate Appraisals

You may request a corrective adjustment if you or your agent are able to provide data that documents errors in the appraisals. Bear in mind that *errors of fact* may not always affect the anticipated sales price indicated in the appraisal in question.

To submit a request for a corrective adjustment, contact your RMF consultant and take the following steps:

a. Submit the supporting data through your RMF consultant to the appraisers who performed the analysis within 14 calendar days after you receive the written offer.

b. If the RMF agrees that a correction is necessary, review the RMF's findings within 14 calendar days.

c. The adjustment may result in an increase or decrease in the appraised value, depending on market timing.

d. You must review the results within the 60-day acceptance period.

536.4 Deferred Maintenance

Deferred maintenance is maintenance work or repair that a prudent property owner would do, but which has not been done. Postal Service policy requires that all maintenance work, including deferred maintenance, be performed before a home can be purchased through the HPP. Therefore, if your home is in a condition of deferred maintenance, the Postal Service will not purchase the home until repairs are made.

536.5 Residences with Structural Defects and Other Deficiencies

Structural defects include those not readily visible during the appraisal process and the initial structural inspection and assessment. Deficiencies include, but are not limited to, excessive cleanup costs.

If structural defects or other deficiencies are discovered:

a. Before you vacate your home, the Postal Service will not make an offer for the home until you repair all defects.

b. If you receive a guaranteed buyout offer and must make repairs, the offer is contingent on your completion of those repairs.

c. After you vacate your home, you must pay the RMF for repairs and subsequent re-inspections, as follows.

    (1) Bids from commercial sources for repairs must be submitted and approved by the RMF before work begins.

    (2) Paid receipts are required to clear the contingency, and re-inspections may be required.

537 Home Purchase Offer

537.1 Receiving a Home Purchase Offer

The home purchase offer process works as follows:

a. Your relocation consultant will contact you within 5 days of appraisal completion and advise you of the appraised value of your home. This advisement is called the *notification of value* (NOV).

b. The RMF will post the purchase offer (the contract) and copies of the appraisals to your MyMove website. You have 60 days from the NOV date to accept the guaranteed offer.

c. The RMF may not purchase your home until your home has been continually listed for showings for a total of at least 30 days.

d. If you decline the purchase offer at any time, or you do not accept the RMF purchase offer within the 60-day acceptance period, your participation in the HPP ends.

e. Postal policy does not provide for readmission to the program.

537.2 Receiving an Amended Offer

537.21 Before Initiating the HPP Process

If you are eligible to participate in the HPP and receive a purchase offer from a potential buyer that you would like to accept, either **before** initiating the HPP or **before** receiving your NOV, the process is as follows:

a. Contact your RMF consultant immediately.

b. Do not sign or initial the potential buyer's documents.

c. The RMF will review the purchase offer to ensure that it is a bona fide offer.

d. Once the RMF determines that the outside offer is bona fide and that all contingencies have been met, the RMF will accept the buyer's offer.

e. The RMF will prepare a contract to buy the home from you at the price offered by the potential buyer.

f. When you sign the contract with the RMF, you have agreed to sell your home to the RMF.

g. The RMF executes the contract, effectively purchasing your home from you.

h. The RMF then sells the home to the potential buyer.

537.22 After Initiating the HPP Process

If you are eligible to participate in the HPP and receive a purchase offer from a potential buyer that you would like to accept **after** you receive the NOV, the process is as follows:

a. Contact your RMF consultant immediately.

b. Do not sign or initial the potential buyer's documents.

c. The RMF will review the purchase offer to ensure that it is a bona fide offer.

d. Once the RMF determines that the outside offer is bona fide and that all contingencies have been met, the RMF will amend the guaranteed-buyout offer to reflect the price of the outside offer.

e. When you sign the amended contract with the RMF, you have agreed to sell your home to the RMF.

f. The RMF then signs the amended contract, effectively transferring the sale with the outside buyer to the RMF.

g. The RMF executes the contract, effectively purchasing your home from you.

h. The RMF sells the home to the potential buyer.

537.3 Receiving an Incentive Payment

If your home qualifies to participate in the HPP, and you obtain a sale from an outside buyer before you accept a guaranteed-buyout offer from the RMF, you can earn an incentive payment, as follows.

a. If your sale to the outside buyer closes, and your home sells within the first 30 calendar days after you receive a purchase offer from the RMF (or before the RMF makes an offer), the RMF will pay 5 percent of the purchase price of your home.

b. After the 30-calendar-day period has expired, the RMF will reduce the incentive payment to 2 percent of the purchase price.

c. The RMF will pay the incentive when closing is completed and the file is audited.

d. The incentive payment is subject to income tax withholding and is not tax-assisted.

Note: If the sale falls through, you are not eligible for the incentive payment.

538 Costs Associated With the Home Purchase Program

538.1 Accepting the RMF’s Appraised Value Offer

You must vacate the property within 45 days after accepting a guaranteed-buyout offer. The costs associated with the sale will be separated into:

a. Costs the RMF will pay and bill to the Postal Service.

b. Costs that are your responsibility. These will appear as deductions on the property equity statement and may include, but are not limited to, the following:

  (1) Interest on the mortgage, property taxes, homeowners association dues, and operating and maintenance costs up to the date you contract with the RMF or your vacate date, whichever is later.

  (2) Insurance, including policies for personal liability, damage, or loss of property. You will be responsible for insuring your home up to the date you contract with the RMF or your vacate date, whichever is later.

(3) Repair of structural defects or other deficiencies that are discovered after you vacate. (See 536.5 for information about structural defects and deficiencies.)

(4) Title defects uncovered when purchase documents are processed.

538.2 Accepting an Amended Sale

If you accept an amended sale, you may be responsible for costs as listed in 538.1, plus the following:

a. Expenses for repairs or improvements agreed upon during contract negotiations.

b. Settlement costs or concessions you have agreed to pay that are not normally the seller's responsibility.

539 Receiving Equity

You will receive the equity from your home after you and the RMF execute a contract for the sale of your home, usually within 7 business days from the date of execution.

539.1 Requesting Equity in Advance

Once you have received the RMF's purchase offer for your home:

a. You may request a portion of the equity in advance to use for the minimum down payment you need to hold a new home or for closing costs required to purchase your new residence.

b. Exercise discretion when you request advanced equity because your gaining office pays interest on all equity released early and continues to pay until your home is sold to a third party.

c. The process for receiving advanced equity from your old home during the 60-day acceptance period is as follows:

(1) Submit an executed purchase agreement for your new home and a good faith estimate of closing costs, and

(2) Sign and submit the required RMF contract and promissory note provided to you by the RMF.

(3) When the RMF receives the required paperwork, you will receive the equity you requested, usually within 7 business days.

(4) You will receive the remaining equity when you vacate the property, and it has been inspected and confirmed as "broom clean" by the RMF agent.

539.2 Repayment of Advanced Equity

If you have received equity in advance and do not accept the RMF's purchase offer for your home within the 60-day acceptance period, or the RMF subsequently disqualifies your home from the HPP:

a. You must immediately repay the full amount, in accordance with your promissory note, before the 60-day acceptance period expires.

b. If you fail to repay the advanced equity, your gaining office may create an employee receivable or take legal action, such as placing a lien on your new home.

c. If you do not accept the RMF's purchase offer or your home is disqualified your participation in the HPP ends and you cannot re-enroll.

539.3 Receiving Equity After Accepting the RMF Offer

Once you accept a guaranteed-buyout offer from the RMF, you may request up to 95 percent of the equity in your home. The following events must occur:

a. You must establish a date to vacate the home, and the date must be within 45 days of the date you accept the offer.

b. The RMF must confirm that all aspects of the sale are in order and all necessary documents have been executed and received.

c. The holdback portion (5 percent) of your equity will be released after you vacate the property and it has been inspected and confirmed as "broom clean" by the RMF agent.

54 Buyer Value Option Program

541 General

The *Buyer Value Option Program* (BVO) is available to all nonbargaining employees covered by this handbook. In this home sale assistance program, the buyer sets the value of the home, instead of the RMF. The BVO program allows you to obtain the equity in your home as soon as the RMF accepts a sales offer and receives all required financial data.

To participate in the BVO program, you must market your home through an RMF network real estate broker/agent and include the *no-obligation-for-commission* clause in your listing agreement (see Exhibit 525).

542 How It Works

The program works as follows:

a. When you receive an offer from an outside buyer that you would like to accept, contact your relocation consultant at the RMF immediately.

b. **Do not sign the purchase offer or any documents presented by the prospective buyer.**

c. The RMF will handle the sale for you, much like an "amended sale."

d. Once the RMF determines that the outside offer is a bona fide offer, the RMF will contract with you to purchase the home.

e. You are legally and financially responsible for your home until the RMF executes the contract with you or until you actually vacate the property, whichever is later.

d. The details of the purchasing process are listed in 538.1, Accepting the RMF's Appraised Value Offer.

543 Homes Excluded From the Program

Homes are excluded from the BVO program if any of the disqualifying conditions listed in 535, Homes Ineligible for the Home Purchase Program, are present.

55 Home Finding Assistance and Mortgage Counseling

551 Home Finding Assistance

To help you find a new home at your new duty station, your RMF consultant will give you a list of brokers/agents in the RMF network.

a. You should interview the brokers, select one, and notify your consultant.

b. Your new broker will meet you in your new location, give you a tour of the neighborhoods, and provide information about your new location, especially the real estate market.

552 Home Mortgage Counseling

You may find your own mortgage lender for purchasing your new home, or you can receive assistance through the RMF. The RMF mortgage counseling program provides the following:

a. Guidance through the process of obtaining a home mortgage.

b. Information about the kinds of mortgages available, including rates, fees and lender's requirements.

c. Information about the prequalification process.

d. Referral to at least three lending sources.

56 Reimbursable and Nonreimbursable Expenses

When authorized, you are eligible to be reimbursed for certain residence-transaction costs when you buy a home at the new duty station or sell your home at the old duty station. However, you must utilize the RMF network of real estate brokers and agents to be eligible.

561 Limitations on Reimbursement

561.1 Limit of 10 Percent of Sales Price

The Postal Service will reimburse you for allowable expenses incurred in connection with selling your residence at the old duty station. The amount of this reimbursement, however, cannot be more than 10 percent of the actual sales price.

561.2 Limit of 5 Percent of Purchase Price

The Postal Service will reimburse you for allowable expenses incurred in connection with buying a residence at your new duty station. The amount of this reimbursement, however, cannot be more than 5 percent of the purchase price.

562 Real Estate Commissions

Postal Service policy for reimbursing real estate commissions is as follows:

a. The Postal Service will reimburse a real-estate commission that you paid for selling your residence as long as the commission does not exceed customary rates for that locality.

b. The Postal Service will not reimburse a real-estate commission or broker's fee when you buy a home at your new duty station.

c. If you or members of your immediate family receive any compensation for performing brokerage- or real-estate services, you must deduct that compensation from the amount that you claim for reimbursement.

563 Other Advertising and Selling Expenses

The Postal Service will reimburse the costs of advertising (newspaper, bulletin board, multiple-listing services, or other advertising) to sell your residence at your old duty station if you have not paid for those services as part of a real estate commission.

564 Closing Costs

564.1 Criteria for Reimbursement

The Postal Service may reimburse certain costs of selling a home in the area of the old duty station or buying a home in the area of the new duty station. The costs must meet all of the following conditions:

a. They have not been included in expenses claimed elsewhere.

b. The selling costs must be those customarily paid by the seller, and the buying costs those customarily paid by the buyer.

c. They are not more than the amounts customarily charged in the locality of the residence bought or the residence sold.

564.2 Selling a Home at the Old Duty Station

Certain closing costs related to the sale of your home at the old duty station may be reimbursed if they are customarily paid by the seller. These costs must appear on the Form HUD-1, *Settlement Statement,* and are included in the maximum reimbursement of up to 10 percent of the selling price. Some costs, however, are not reimbursed. Exhibit 564.2 provides a list of costs that are reimbursed and those that are not.

Exhibit 564.2

HUD-1 Settlement Statement Reference List — Old Duty Station

HUD-1 Reference	Description	May be Reimbursed
700/703	Sales/broker's commission	YES
800	Items payable in connection with loan	NO
900	Items required by lender	NO
1000-1008	Reserves deposited with lender for hazard insurance, mortgage insurance, city/county taxes, assessments	NO
1101	Settlement or closing fee	YES
1102	Abstract or title search[1]	YES
1103	Title examination	YES
1104	Title insurance binder	NO
1105	Document preparation	YES
1106	Notary fee	YES
1107	Attorney/closing agent fees[2]	YES
1109	Title insurance: lender coverage	NO
1110	Title insurance: owner coverage[1]	YES
1201	Recording/filing fees: deed/mortgage/releases[3]	YES
1202	City/county tax/stamps: deed/mortgage[4]	YES
1203	State tax/stamps: deed/mortgage[4]	YES
1301	Survey	YES
1302	Inspections: pest only	YES
	Other costs:	
	Home warranty	NO
	Transfer fees	NO
	Express Mail and messenger fees[5]	YES

1. *Seller normally furnishes an abstract or title opinion. In some areas, the seller provides title insurance: owner coverage. If you paid both the abstract/title opinion, and title insurance: owner coverage, the Postal Service will reimburse the greater of the two charges, but not both.*
2. *Attorney services required at settlement must appear on the closing statement and will be reimbursed up to $500. Attorney services of more than $500, or attorney services not on the closing statement, must be accompanied by (a) an itemized breakdown for the services provided, (b) the fees for each item of service, and (c) a statement indicating why an attorney was required for each service provided. Litigation and negotiation costs are not reimbursed.*
3. *Seller normally pays to record release of deed and the buyer pays for recording the mortgage and tax/stamps.*
4. *Seller normally pays for customary fees as directed by the state and the buyer pays mortgage tax/stamps.*
5. *Maximum reimbursement is $60.*

564.3 Buying a Home at the New Duty Station

Certain closing costs associated with the purchase of a home at the new duty station may be reimbursed if they are customarily paid by the buyer. These costs are included in the maximum reimbursement of up to 5 percent of the purchase price and must appear on the HUD-1 settlement statement.

Exhibit 564.3
HUD-1 Settlement Statement Reference List — New Duty Station

HUD-1 Reference	Description	May be Reimbursed
801	Loan origination fee[1]	YES
802	Loan discount fee	NO
803	Appraisal	YES
804	Credit report	YES
805	Lender's inspection fee[2]	YES
806	Mortgage insurance application fee	NO
807	Assumption fee /buy-down	NO
808	Commitment fee	NO
809	Loan processing fee	YES
810	Flood certification	YES
811	Underwriting fee	YES
812	Tax service fee	YES
902	Mortgage insurance (PMI)/escrow	NO
904	Flood insurance	NO
1003	Taxes due/escrow	NO
1101	Settlement or closing fee	YES
1102	Abstract or title search[3]	YES
1103	Title examination/other statutory title fees[3]	YES
1104	Title insurance binder	YES
1105	Document preparation	YES
1106	Notary fee	YES

HUD-1 Reference	Description	May be Reimbursed
1107	Attorney/closing agent fees[4]	YES
1109	Title insurance: lender coverage	YES
1110	Title Insurance: owner coverage[3]	YES
1111	Escrow fee	YES
1201	Recording fees: mortgage/releases[5]	YES
1202	City/county tax/stamp: deed/mortgage[6]	YES
1203	State tax/stamps: deed/ mortgage[6]	YES
1301	Survey[7]	YES
1302	Inspection: pest only	YES
1302	Inspections: all other[8]	NO
	Other costs:	
	Transfer fees	NO
	Express Mail and Messenger Fees[9]	Yes
	Loan Assumption Fee	NO
	VA or FHA Funding Fee[1]	Yes
	Loan Application Fee	Yes

1. *Maximum reimbursement is 1 percent for the loan origination fee or the VA/FHA funding fee. If you paid both of these fees, you will be reimbursed for one fee with a maximum reimbursement of 1 percent.*
2. *Maximum reimbursement is $100.*
3. *Reimbursement is available for the greater of either title examination, title search, abstract, other statutory title fees, or title insurance: owner coverage. You cannot claim both.*
4. *Attorney services required at settlement must appear on the closing statement and will be reimbursed up to $500. Attorney services more than $500, or attorney services not on the closing statement must be accompanied by (a) an itemized breakdown for the services provided; (b) the fees for each item of service; and (c) a statement indicating why an attorney was required for each service provided. Litigation and negotiation costs are not reimbursed.*
5. *The buyer normally pays for recording the mortgage, and the seller pays to record the deed release.*
6. *The buyer normally pays for mortgage tax/stamps, and the seller pays for customary fees as directed by the state.*
7. *Maximum reimbursement is $500.*
8. *Inspections required by the lender or required by federal, state, or local statute or ordinance may be reimbursed. You must provide documentation stating that the inspection was required.*
9. *Maximum reimbursement is $60.*

565 Other Settlement Costs

565.1 Finance Charges Under the Truth in Lending Act and Regulation Z

The Postal Service will not reimburse any fee, cost, charge, or expense it determines is part of the finance charge under the Truth in Lending Act and Regulation Z.

565.2 Constructing a House

If you are constructing a house, the Postal Service, at its discretion, may reimburse expenses comparable to the expenses that would be reimbursable if you were buying an existing house.

566 Expenses for Breaking a Lease

566.1 Reimbursement for Breaking a Lease

Certain expenses you incur for breaking a lease (including month-to-month rental) on residence quarters you occupied at your old duty station may be reimbursable. These expenses may include broker's fees for obtaining a sublease or the cost of advertising an unexpired lease. Expenses may be eligible for reimbursement, with a maximum amount equal to 6 months rent, if all the following conditions are met:

a. You did not contribute to the cost by failing to give prompt and appropriate notice that you were terminating the lease after finding out that you were being transferred to a new duty station.

b. The applicable laws or the terms of the lease provide for payment of breaking the lease.

c. The costs cannot be avoided by subleasing or other arrangements.

d. The broker's fees or advertising charges do not exceed those typically charged for comparable services in that locality and you have itemized these expenses and entered the total amount on an expense report.

566.2 Claim for Lease-Breaking Expenses

If you break a lease, submit the claim for expenses separately from the claim for expenses related to buying a home. Support each item with a copy of the lease agreement and proof of payment.

57 Reimbursement of Real Estate Expenses

You may submit a claim for reimbursement of authorized expenses that you paid for the sale of your home at the old duty station or for the purchase of your home at the new duty station.

571 How to Apply for Reimbursement and Document Expenses

571.1 Claim for Reimbursement

The RMF will provide expense reports online. You must use these reports. If you do not have access to the Internet, the RMF will supply a manual expense report. You must submit documents and receipts to verify that you paid the expenses for which you seek reimbursement. The RMF consultant will advise you on how to document expenses and submit expense reports.

571.2 Documentation Required

Each item of expense you claim must be supported by documents showing that you paid the expense. These documents include a copy of the following:

a. A fully executed purchase agreement, including any addendum pages.

b. A fully executed sales agreement, including any addendum pages.

c. A signed HUD-1 settlement statement for a sale of your home at the old duty station and/or the purchase of a home at the new duty station.

d. Invoices or receipts for any expenses not included on the HUD-1 statement.

e. Disclosure statement required by Regulation Z issued by the Board of Governors of the Federal Reserve System and the Truth in Lending Act, Title I, Public Law 90-321, for all charges made by the lending institution toward the purchase of a new residence.

Exception: A disclosure statement as stipulated under the Truth in Lending Act is not required when you assume a loan from the seller. If you assume a loan from the seller, add a statement to this effect to your expense report.

572 How Your Claim Will Be Reviewed and Paid

Support documents for your online expense report, or your manual report if your office does not have access to the Internet, must be submitted to the RMF at the address provided by your relocation consultant. Expenses claimed which are not authorized in this handbook will not be paid.

58 Loss on Sale

Loss on sale is a loss incurred as a result of economic conditions when you sell your principal residence at your old duty station. It is the difference between the original sale price when you bought your principal residence and the total selling price (the amount you received) at resale. In the case of new construction, the original sale price is determined by combining the cost of the land, if purchased separately, plus the cost to build your residence.

581 Eligibility

To be considered for the loss-on-sale benefit, you must be an employee in one of the categories listed in 112. External hires and transferees from another government agency are not eligible for this benefit.

To be considered for loss-on-sale reimbursement, the loss must meet all of the following conditions:

a. The loss must be a direct result of market conditions defined as slow, declining, or oversupplied in the area of your home at the time you sell it.*

b. The sale price of the residence must not be the result, or must not be affected by, the lack of care or deferred maintenance, existing or preexisting, on the part of the homeowner.*

c. The sale price of the home must not be the result of a negotiated solution known as a short sale, or a foreclosure, and the sale price must not have been significantly reduced for purposes of a quick sale or fire sale in order to gain a buyer.*

   *As determined at the discretion of the Postal Service or pursuant to the authority delegated by the Postal Service to the RMF to make such determinations.

d. You did not fail to accept a legitimate offer from an outside buyer, to reduce the sales price in accordance with real estate agent recommendations, or to accept a purchase offer made to you by the RMF.

582 Requesting Reimbursement

582.1 Calculating Loss on Sale

Loss on sale is the amount which results from calculating the difference between the original purchase price you paid for your principal residence and the contracted sales price when you sell it, as indicated on the Form HUD-1 or the RMF equity statement.

If you have utilized a short sale process with your lender when selling your home or your home has fallen into foreclosure, you are ineligible for the loss on sale benefit. See 581, Eligibility.

The table below is used to determine the reimbursement amount you may be eligible for. The maximum amount allowed for loss on sale reimbursement is $100,000.

Loss on Sale	Reimbursement
From $1 to $20,000	90 percent
From $20,001 to $40,000	75 percent
From $40,001 to $60,000	50 percent
From $60,001 to $75,000	25 percent
From $75,001 to $100,000	10 percent

The maximum equity loss reimbursement is $49,250.

583 Receiving Reimbursement

583.1 Claiming the Loss-on-Sale Benefit

When you claim the loss-on-sale benefit through the RMF, you must provide the following documentation:

a. A copy of the original HUD-1 Settlement Statement from the original purchase of the home.

b. A copy of the HUD-1 or the Final Equity Statement for the sale of the property.

583.2 RMF Review of the Request

The Postal Service has given the RMF authority to review and assess loss on sale requests and issue payments when eligibility, documentation, and requisite requirements are met. The RMF has discretion to deny these requests when appropriate. These requests will no longer be processed by the HQ Relocation Unit.

6 Completing Relocation Expense Reports

61 Using the Online Expense Report System

The RMF online expense reporting system allows you to submit expense reports for payment of authorized relocation benefits, to review previously submitted expense reports, and to update or review your personal profile information.

If your office has access to the Internet, you must use the RMF online expense reporting system. Your RMF consultant will explain how the system works.

If your office does not have access to the Internet, your RMF consultant will provide instructions for submitting expense reports manually.

62 Supporting Documentation

621 Organizing Receipts

Organize and submit receipts as follows:

a. Make sure you have all required receipts before you submit an expense report.

b. Submit original receipts or copies according to the guidelines in 622.1, Original Receipts That Are Always Required.

c. You may submit copies of documents related to residence transactions.

d. Attach receipts with tape to 8 1/2" by 11" (letter-size) sheets of paper for ease of handling.

622 Miscellaneous Receipts

622.1 Original Receipts That Are Always Required

You must always provide original receipts for the following items:

a. **Passenger tickets for air, rail, or bus.** Air travel tickets must show the passenger name, class, flight, date, and price charged.

b. **Lodging.** Itemized lodging invoices must show a zero balance due. If the balance is not zero, you must provide proof of payment in addition to the lodging invoice.

c. **Rental cars.** Submit the final receipt from the car rental company. Use the most economical means to refuel a rental car, such as a service or gas station; you must provide a receipt for fuel.

d. **Rented quarters.** Submit a receipt to claim the mandatory fee associated with obtaining rented quarters in certain high cost metropolitan areas (see 512, Settlement Expenses).

622.2 Other Expenses

You must attach original, itemized receipts for other allowable expenses of more than $50, including any applicable tax.

623 Receipts for Sale or Purchase of a Residence

Each expense you claim for reimbursement must be supported by documentation showing that the expense was in fact paid. This documentation may include a copy of the following:

a. A fully executed purchase agreement, including any addendum pages.

b. A fully executed sales agreement, including any addendum pages.

c. Signed Form HUD-1, *Settlement Statement.*

d. Invoices or receipts for bills you paid for authorized expenditures that do not appear on the settlement statement.

e. Disclosure statements (required by Regulation Z and the Truth in Lending Act), as specified in 565.1.

63 Submitting Expense Reports

631 Employees With Internet Access

Use the RMF online expense reporting system, through your MyMove website, to submit electronic expense reports, as described below.

a. Submit a separate expense report for each type of expense, such as the lump-sum allowance, en route travel allowance, miscellaneous expense allowance, and residence transactions.

b. When you submit subsequent reports for the same type of expense, always reference the original report. For example, if you amend your claim for en route travel expenses, refer to the first report you submitted for en route travel expenses.

c. When you need to submit original receipts and other supporting documents by mail, ask your RMF consultant for instructions and a mailing address.

d. Keep a copy of all expense reports and documents for your files.

632 Employees Without Internet Access

Contact your RMF consultant for copies of paper forms, instructions, and a mailing address.

a. Submit a separate expense report for each type of expense, such as the lump-sum allowance, en route travel allowance, miscellaneous expense allowance, and residence transactions.

b. When you submit subsequent reports for the same type of expense, always reference the original report. For example, if you amend your claim for en route travel expenses, refer to the first report you submitted for en route travel expenses.

c. Keep a copy of all expense reports and documents for your files.

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