



Federal Travel Regulation
GSA Bulletin FTR 25-03

TO: Heads of Federal Agencies

SUBJECT: Relocation Allowances - Waiver of certain Federal Travel Regulation (FTR) provisions regarding reimbursement of relocation expenses for residential realtor broker fees or real estate commissions.

1. What is the purpose of this bulletin? This bulletin informs agencies that certain provisions of the FTR governing official relocation entitlements for residence transactions are temporarily waived. These temporary waivers account for recent changes in residential real estate practices that went into effect on August 17, 2024, following preliminary approval of a class-action settlement agreement with the National Association of Realtors (NAR) that seeks to resolve claims related to broker compensation. The settlement required NAR to implement the practice changes prior to final court approval; the final approval hearing is scheduled for November 26, 2024. Agencies should direct employees to their real estate agent for questions regarding the impact of the settlement agreement on the employee's residential real estate transaction(s). For questions regarding reimbursement of residence transactions for official relocation, Federal agencies should rely on the FTR and this Bulletin.

2. What is the background of this bulletin? OGP is issuing this Bulletin to temporarily waive certain FTR provisions that do not align with practice changes to the residential real estate industry that went into effect on August 17, 2024. A brief explanation of such changes and their impact on relocating Federal employees follows. Prior to August 17, 2024, the customary practice in residential real estate transactions was for only the seller to pay a broker fee or commission. The seller's agent would then split the fee/commission with the buyer's agent upon sale of the home. As a result of the August 17, 2024, changes, homebuyers now sign an agreement with their agent specifying the amount or rate of compensation the agent will receive, or how this amount will be determined. While sellers and their agents can still offer to pay a buyer's agent fee/commission, that exchange must be separately bargained for. This means that in some transactions, homebuyers will be required to pay the full buyer's agent fee/commission.

At present, eligible relocating Federal employees are reimbursed for the broker's fee or real estate commission they paid in the *sale* of their residence at the last official station pursuant to 41 CFR 302-11.200(a). However, 41 CFR 302-11.202(b) prohibits reimbursement for broker fees or commissions paid in connection with the *purchase* of a home at the new official station. Accordingly, OGP is temporarily waiving language in FTR sections 302-11.200(a) and 302-11.202(b) as illustrated in paragraph 3 below. This

temporary waiver will allow agencies to reimburse eligible relocating employees for a broker's fee or real estate commission paid in connection with the *purchase* of a residence at the new official station; it does NOT impact agency authority to reimburse seller's broker fees/commissions. Agencies will continue to be able to reimburse eligible relocating employees for a broker's fee or real estate commission paid in connection with the *sale* of a residence at the old official station.

This temporary waiver is in alignment with statutory authority at 5 U.S.C. 5724a(d) (emphasis added in bold):

- (d)(1): "Under regulations prescribed under section 5738, an agency shall pay to or on behalf of an employee who transfers in the interest of the Government, **expenses of the...purchase of a residence at the new official station that are required to be paid by the employee**, when the old and new official stations are located within the United States."
- (d)(2)(B): "Under regulations prescribed under section 5738, an agency shall pay to or on behalf of an employee who transfers in the interest of the Government from a post of duty located outside the United States to an official station within the United States (other than the official station within the United States from which the employee was transferred when assigned to the foreign tour of duty)... **expenses required to be paid by the employee of the purchase of a residence** at the new official station within the United States."
- (d)(4): "**Reimbursement for** brokerage fees on the sale of the residence **and other expenses** under this subsection may not exceed those **customarily charged in the locality where the residence is located.**"
- (d)(7)(B): "In connection with the purchase of a residence at the new official station, **reimbursement under this subsection shall not exceed 5 percent of the purchase price.**"

3. What FTR regulations are temporarily waived? OGP is temporarily waiving the FTR language below in strikethrough:

§ 302-11.200 What residence transaction expenses will my agency pay?

Provided the residence transaction expenses are customarily charged to the seller of a residence in the locality of the old official station or paid by the purchaser at the new official station, your agency will, with appropriate supporting documentation provided by you, reimburse you for the following residence transaction expenses when they are incurred by you incident to your relocation:

(a) Your broker's fee or real estate commission that you pay ~~in the sale of your residence at the last official station~~, not to exceed the rates that are generally charged in the locality ~~of your old official station~~;

.....

§ 302-11.202 What residence transaction expenses will my agency not pay?

Your agency will not pay:

(a) Any fees that have been inflated or are higher than normally imposed for similar services in the locality;

(b) ~~Broker fees or commissions paid in connection with the purchase of a home at the new official station;~~

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4. What will relocating employees be reimbursed if they must pay a buyer's broker fee or commission incident to their relocation? The employee will be reimbursed their buyer's broker fee or real estate commission paid in connection with the purchase of a residence at the new official station. However, those fees/commissions combined with any other costs authorized for reimbursement in connection with the purchase of a residence at the new official station may not exceed the statutory limit of 5% of the purchase price. 5 U.S.C. 5724a(d)(7)(B).

5. What is the effective date and applicable date of this bulletin? This bulletin is effective upon the date of signature and retroactively applies to buyer broker fees/commissions incurred by an employee on and after August 17, 2024, in connection with the purchase of a residence at the new official station incident to their relocation.

6. When does this bulletin expire? This bulletin will remain in effect until explicitly canceled or superseded.

7. Whom should I contact for further information regarding this bulletin? Contact Mr. Rick Miller at 202-501-3822, or Ms. Jill Denning at 202-208-7642, Office of Government-wide Policy or by email at travelpolicy@gsa.gov. Please cite GSA FTR Bulletin 25-03.

By delegation of the Administrator of General Services,

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