
CHAPTER 6. COST ESTIMATION AND PROCESSING

- 6-1. PROPOSED SECTION 234(d) PROJECTS. Proposed projects under this Section will be estimated and processed in accordance with basic procedures, except as modified herein.
- a. Cooperative or Condominium Housing Project Analysis, FHA Form 2264-B, is used in processing this program.
 - (1) Contractor's overhead and profit allowance will be entered by the Cost Analyst in Section H, Items H-52 and H-53 to conform with amounts typically charged in projects similar to the subject. The Cost Analyst will also enter in Section N Remarks, Conclusions and Signatures, the following statement, "Additional percentage for overhead and profit is _____%. Additional Amount \$_____." This amount will be developed by subtracting the Builder's Overhead and Profit percentage from the overhead and profit percentage for Section 203(b) for the locality in which the project is located.
 - (2) In addition to the percentage figure shown, a dollar amount will be noted. This amount will be developed by applying the noted percentage to the total of Lines 45, 50 and 51.
 - b. Cost Effects of Approved Request for Construction Changes, FHA Form 2437, are tabulated under two categories.
 - (1) Those that relate to the project as a whole or which affect all living units are handled in the usual manner.
 - (2) Those that relate only to certain or specific living units are tabulated by the unit(s) involved.
 - c. At Completion of Construction, the Cost Analyst will set forth in a memorandum to the Assistant Director Technical Services Branch/Chief Underwriter (ADTS/CU) a summary and net effect in cost of each specific living unit by reason of the approved changes.
 - d. A Simplified Cost Certification, FHA Form 22041, may be used for projects processed under this Section of the Act.