

U.S. Department of Housing and Urban Development
H O U S I N G

Special Attention of: Transmittal for Handbook No.: 4470.2 REV-1
Issued: 04/01/94

Regional Administrators, Directors,
Office of Regional Housing; Field Office
Managers, Housing Development
Division Directors; Chiefs of
Mortgage Credit; Chiefs of Architecture
and Cost

1. This Transmits:

Revised Handbook 4470.2 REV-1, Cost Certification Guide for
Mortgagors and Contractors of HUD-Insured and Section 202/811
Multifamily Projects, dated 4/94.

2. Explanation of Material Transmitted:

This is a complete revision, with a new format and
incorporates all Handbook changes, Notices and policy changes
since the original issuance. The major changes and additions
include, but are not limited to, the following:

- A. Paragraph 1-7.C.1. requires the mortgagor to submit an acceptable cost certification and bring the project to a final closing within 90 calendar days of cost certification cut-off, exclusive of the time required by HUD to review the cost certification and issue a Form FHA-2580 (HUD-92580-CA for Section 202/811 capital advance projects).
- B. Paragraph 3-2.A requires Forms HUD-92330 and -92330-A to be used for projects qualifying for simplified cost certification, in lieu of Form FHA-2205. The Forms need not be audited.
- C. Paragraph 3-2.B.5.e requires the mortgagor to provide information relative to the expenditures from the working capital deposit.
- D. Paragraph 4-2.K permits AMPO funds to be used to fund HUD-approved necessity change orders.
- E. Paragraphs 4-2.K.5 and 4-2.N.4.d require an itemization of all expenditures covered by AMPO/project contingency and contingency reserve funds, respectively, to be attached to the mortgagor's certification of actual cost.

HMIT: Distribution: W-3-1,W-2(H),W-3(A)(OGC)(ZAS),W-4(H),R-1,R-2,R-3-1,R-3-2,
R-3-3,R-6,R-6-2,W-7,R-7-2,R-8

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- F. Paragraph 4-2.P.1.c instructs the mortgagor to certify to BSPRA if an identity of interest between the mortgagor and general contractor comes into being after initial

endorsement.

- G. Paragraph 4-2.S provides instructions relative to reductions to allowed costs on lines 16a and b of Form HUD-92330.
- H. Chapter 6 provides instructions relative to the submission requirements for bond financed projects.
- I. Chapter 7 provides instructions relative to the submission requirements for projects involving Low Income Housing Tax Credits.

3. Filing Instructions:

Remove:

Insert:

Handbook 4470.2, dated 8/78
dated 4/94

Handbook 4470.2 REV-1,

Assistant Secretary for Housing-
Federal Housing Commissioner

4/94

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Handbook 4470.2 REV-1

U.S. Department of Housing and Urban Development
Washington, D.C. 20410

Program Participants
and Departmental
Staff

April 1994
Certification

Cost

Guide for Mortgagors
and Contractors of
HUD-insured and
Section 202/811
Multifamily Projects

4470.2

REV-1

FOREWORD

This Handbook constitutes a revision of Handbook 4470.2, dated August 1978, and is intended to provide mortgagors and contractors with information to assist in the preparation and submission of cost certification exhibits required by Section 227 of the National Housing Act and HUD Regulations.