

PRE-SALE

MANAGEMENT TYPE

COOPERATIVES

APRIL 1973

PROGRAM PARTICIPANTS AND HUD STAFF

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CHG 1, 11/29/74 incorporated.)

A HUD HANDBOOK

HOUSING PRODUCTION AND MORTGAGE CREDIT-FEDERAL HOUSING ADMINISTRATION

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

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FOREWORD

The "Basic Cooperative Housing Insurance Handbook," Reference (1) of the Foreword, sets forth the fundamentals of organizing a cooperative housing corporation and describes briefly the various approaches which may be employed to achieve the ultimate objective, a "Management Type Cooperative."

This second handbook of the cooperative housing series deals with the "Presale Management Type" cooperative. Requirements, organizational procedures, and underwriting procedures necessary to this approach are covered thoroughly in step-by-step detail as they are largely necessary to all management type cooperatives, regardless of approach. The instructions in this handbook are incorporated by reference in subsequent handbooks of the series which deal with other approaches. The Section 236 handbook, Reference (2) of the Foreword, incorporates this handbook by reference, also.

An appendix of model forms and a numerical reference to applicable HUD-FHA Regulations are included for ready reference and convenience.

Copies of this handbook should be made available to interested parties, however, it is important that it be read in conjunction with the basic handbook as sponsorship criteria appears in that handbook only.

Legal Authority:

Subchapter E - Cooperative Housing Insurance

Management Type

Subpart A - Eligibility Requirements for Projects - 213.1 - .249  
except subparagraphs (g), (h), of 213.1; (b), (c), (i)-(2),  
(j) of 217.7; (b)-(1)(2), of 213.18; (c) of 213.31.

Subpart B - Contract Rights and Obligations - Projects  
- 213.251-213.261; 213.265 - 213.280 and 207 except as  
provided in 213.251.

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11/74

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4550.2 CHG

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Legal Authority: (continued)

Subchapter G - Cooperative Housing for Moderate income and Displaced  
Families

Subpart C - Eligibility Requirements for Projects - 221.502(a), (b)-(1);  
221.503 through .506(c); .506b; 221.507 through .509;  
221.510(a), (d)-(1)-(3); 221.511 through .513;  
221.514(a)-(1)-(i)-(ii), (2), (3), (4)-(i), (b), (c);  
.515(a), (b)-(1),(c)-(1); 221.516 through .518(a); 221.519  
through .523; 221.524(a)-(1)-(iii)-(2), (b), (c); 221.525  
through .530; 221.533 through .541; 221.542 (except (c));  
221.544; 221.545 (a)-(1), (b)-(1),(c); 221.546 (a),  
(b)-(1)-(2); .547(a)-(1)-(2)-(3)-(ii); 221.548(a),(b),  
(c)-(1)-(2); 221.549 through .550 (except (d)); 221.551(a),  
(b); 221.552 through .555; 221.557 through .559a; 221.561  
through .564.

Subpart D Contract Rights and Obligations - Projects - 221.751;  
221.755; 221.760 through .762(a); 221.763; 221.770;  
221.775; 221.780; 221.785; 221.790, and 207 except as  
provided in 221.751.

References:

- (1) 4550.1 - Basic Cooperative Housing Insurance
- \* (2) 4510.1 - Rental and Cooperative Housing for Lower Income  
Families, Section 236, Basis Instructions \*
- (3) 4410.1 - Project Fiscal Procedures
- (4) 4110.1 - Fiscal and ADP Handbook
- (5) HUD 1340.3A - Labor Standards and Labor Relations
- (6) 4430.1 - Initial Closing Commitment Handbook for  
Project Mortgage Insurance
- (7) RHM 4350.1 - Supplement Insured Project Servicing

- (8) 4435.1 - Construction to Final Closing for Project Mortgage Insurance
- (9) 4550.5 - Investor-Sponsor and Non-Profit Sponsorship of Housing Cooperatives

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11/74

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4550.2 CHG

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References: (continued)

- (10) 4470.1 - Mortgage Credit Analysis for Project Mortgage Insurance
- (11) HM 4371.2 - Cooperative Accounting Handbook Manual Uniform System of Accounts for Cooperative Housing Corporations Using Manual Accounting Systems
- (12) HM 4371.3 - Cooperative Accounting Handbook Computer Uniform System of Accounts for Cooperative Housing Corporations Using Computer Accounting Systems
- (13) 4440.1 - Final Closing Commitment Handbook for Insurance for Project Mortgage Programs
- (14) 4550.4 - Cooperative Housing Supplementary Loan Handbook
- \* (15) 4910.1 - Minimum Property Standards for Multifamily Housing
- (16) 4450.1 - Cost Estimation/Cost Data for Project Mortgage Insurance
- (17) 4460.1 - Architectural Analysis and Inspections Handbook for Project Mortgage Insurance
- (18) 4465.1 - Valuation Analysis for Project Mortgage Insurance
- (19) HPMC-FHA 4200.15 (4480.1) - Multifamily Reports and Forms Catalog
- (20) 4550.3 - Existing Construction - Cooperative Housing \*

\*The information in parentheses indicates the location of the referenced material in the new classification system.

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11/74

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