
CHAPTER 8. COST ESTIMATION

- 8-1. PROCESSING REQUIREMENTS FOR SECTION 213 SALES TYPE COOPERATIVES. Proposed projects under this section are estimated and processed according to basic procedures, except as modified herein.
- a. The Replacement Cost is estimated on two bases: (1) The currently effective Cost Data used for home mortgage cases processed under Section 203 and (2) the Basis "(1)" estimate adjusted to reflect prevailing wage rates not less than those determined by the Secretary of Labor. The Basis "(2)" estimate is then reduced to a single project estimate.
 - (1) The Cost Analyst will prepare the estimate in accordance with instructions for completion of Form 2264-S (Format) as described in Reference (3) of the Foreword. The Basis "(1)" estimates will be transcribed from Forms 2014 to Form 2800-3 and the Basis "(2)" estimate will be shown in Part 1 of Form 2264-S.
 - (2) "Special community facilities" as described for Management Type will also be included in the Sales Type.
 - b. For Insured Advance Cases the Contractor's and/or Mortgagor's Cost Breakdown (Schedule of Values), FHA Form 2328, will be completed and reviewed.
 - c. Cost Certification is not required.