

FORMAT ONLY: TO BE REPRODUCED LOCALLY

DETERMINATION OF DEVELOPMENT COST - BY REPLACEMENT COST FORMULA

PROPOSED CONSTRUCTION
(Without BSPRA)

Item 69	-	*Consultant Fee (If Lump Sum)	\$ _____
Item 70	-	**Management Fund (\$100 Per Unit)	_____
Item 73	-	Warranted Price of Land	_____
Total Knowns on Which BSPRA may not be allowed			\$ _____ =A

*See 4571.1, Par. 11-2 **See 4381.5 Transmitted #8 Dated 2/17/77

Item 50	-	Total For All Improvements	\$ _____
Item 54	-	Taxes	_____
Item 55	-	Insurance	_____
Item 62	-	Title and Recording	_____
Item 64	-	Legal	_____
Item 65	-	Organization (Substantially Reduced, if Consultant Fee Allowed in Item 68)	_____
Item 66	-	Cost Certificate, Audit Fee	_____
Total Knowns on Which BSPRA May Be Allowed (not applicable for 202)			\$ _____ =B

Item 53	-	*.003072917 X Construction Period (Months)	_____
Item 60	-	Project Contingency (NP Projects Only)	_____
Item 69	-	Consultant Fee (If An Unknown)	_____
Marketing Expense (Cooperative Projects Only)			_____
Total Unknowns			_____ =C

*7.375 / 2 : 100 / 12 = .00372917

WITHOUT BSPRA:

A + B = \$ _____ Total Project Cost = X

1 - C

X = \$ _____ X 1.00 _____ Loan Ratio = \$ _____ Maximum Mortgage

Criteria #3 Form FHA-2264A

Complete Part G of Form FHA-2264 using the above determined "maximum mortgage" rounded to the next lower \$100 multiple, resulting total project cost, Item 74, should correspond approximately to the total project cost found by the formula.

NOTE: The above item numbers relate to Form FHA-2264. When using Form FHA-2264B, disregard numbers and relate only to the corresponding items.

REF: Handbook 4480.1, Pages 2264 - 32 and 33
Handbook 4571.1, Para. 10-32