
INSTRUCTIONS FOR FHA FORM 2013 GP-2
APPLICATION FOR PROJECT MORTGAGE INSURANCE
PART I - MORTGAGOR'S APPLICATION

A. Two types of FHA commitments are available (a) Commitment for Insurance under which FHA insures advances of mortgage proceeds during construction, and (b) Commitment to Insure Upon Completion under which FHA insures total mortgage proceeds subsequent to completion. Indicate which is desired.

B. Column 1: "Builder's General Overhead" shall be limited to a reasonable allocation of estimated main office expense of the builder, exclusive of salaries of its officers, directors, or stockholders.

"Builder's Profit" shall be based upon a percentage considered reasonable and customary in the area for works of the same costs and character, but shall not include any reimbursement for overhead.

B. Column 2: Total of all improvements and equipment is to be used as the basis for estimating the amount of the mortgage.

Interest shall include only the amount estimated to be necessary to cover charges by the mortgagee during the construction period. Include real estate taxes during the construction period only.

Under "Insurance" include only an amount sufficient to cover premiums for adequate fire and extended coverage public liability and other property insurance during the construction period.

Do not include any mortgage discount which may be required.

Under "Title and Recording Expense" include only the estimated actual cost of the title search and title insurance, surveys, tax stamps and other mortgage taxes and recording fees.

Legal expenses shall include only necessary fees to legal counsel for services in connection with the project and necessary expenses paid by counsel for the account of the mortgagor.

Organization expense shall include only reasonable expenses not otherwise classified and which are necessary for the creation of the mortgagor entity; creation of the group practice entity; and the cost of prudent market survey. Total Estimated Replacement Cost (exclusive of land

and offsite costs) is the total of the costs for all improvements and equipment, carrying charges and financing, and legal and organization.

Land (Estimated Market Value) is the value estimate of the sponsor and must be adequately supported by sufficient and proper market data. It may include any enhancement in value resulting from off-site improvements which are part of this project but must be reduced in value by the amount of any unusual or excess costs not found in comparable sales, such as unusual foundation or retaining wall costs.

C. 1. Enter here the figure in the box two above the bottom box in B, Column 2.

C. 2. Enter here the figure in the box one above the bottom box in B, Column 2.

C. 3. Enter here 90% of the total C. 1. and C. 2.

C. 4. Enter the result of the subtraction of C. 3., from the total of C. 1. and C. 2.

C. 5. Enter here the amount necessary to pay for bringing utilities to the property line, for paving adjoining streets and gutters, etc.

C. 6. and C. 7. Enter in these boxes the figures from FHA Form 2013 GP-1, Items H. 2. and H. 3. Total Estimated Capital Requirements is the sum of 4, 5, 6 and 7 of this Item C.

D. The purpose of requesting the source or sources of the equity money is to establish firmly the availability of such money for purposes of this project. Complete information should be furnished regarding this.

General Information.

A fee of \$1.50 per \$1,000 of the mortgage amount requested must accompany this application. If you wish to change any information previously submitted on FHA Form 2013 GP-1, you must submit a revised copy of the form. Either such revised form, or the originally submitted Preliminary Analysis Form, will be considered a part of the formal application.