

F. ESTIMATE OF ANNUAL EXPENSE		G. ESTIMATED REPLACEMENT COST	
ADMINISTRATIVE		STRUCTURES	
1. Advertising	\$	A 36a. Annual Land Improvements	\$
2. Management	\$	A 36b. Other Land Improvements	\$
3. Other	\$	A 36c. Total Land Improvements	\$
4. TOTAL ADMINISTRATIVE	\$	FEES	
OPERATING		A 37. Main Buildings	\$
5. Elevator Main. Exp.	\$	A 38. Accessory Buildings	\$
6. Fuel (Heating and Domestic Hot Water)	\$	A 39. Garage	\$
7. Lighting & Misc. Power	\$	A 40. All other Buildings	\$
8. Water	\$	A 41. TOTAL STRUCTURES	\$
9. Gas	\$	A 42. General Requirements	\$
10. Garb. & Trash Removal	\$	FEES	
11. Payroll	\$	A 43. Builder's Gen. Overhead	\$
12. Other	\$	A 44. Builder's Profit	\$
13. TOTAL OPERATING	\$	A 45. Arch. Fee-Design	\$
MAINTENANCE		A 46. Arch. Fee-Supvt.	\$
14. Decorating	\$	A 47. Bond Premium	\$
15. Repairs	\$	A 48. Other Fees	\$
16. Fertilizing	\$	A 49. TOTAL FEES	\$
17. Insurance	\$	50. TOT. for all Impts. (Lines 36a, 41, 42 & 49)	\$
18. Ground Expense	\$	51. Cost Per Gross Sq. Ft.	\$
19. Other	\$	52. Estimated Construction Time	Months
20. TOTAL MAINTENANCE	\$	CARRYING CHARGES & FINANCING	
21. Replacement Reserve 1.0060 x total for structures (Line 42)	\$	A 53. Int. on \$	\$
22. TOTAL EXPENSE	\$	A 54. Tax	\$
TAXES		A 55. Insurance	\$
23. Real Estate Est. Assessed	\$	A 56. FHA Reg. Ins. Prm. (10.5%)	\$
Val. \$	\$	A 57. FHA Exam. Fee (10.5%)	\$
per \$1000	\$	A 58. FHA Inspec. Fee (10.5%)	\$
24. Personal Prop. Est. Assessed	\$	A 59. Financing Fee (%)	\$
Val. \$	\$	A 60. AMPO (%)	\$
per \$1000	\$	A 61. FNMA/GNMA Fee (%)	\$
25. Empl. Payroll Tax	\$	A 62. Title & Recording	\$
26. Other	\$	63. TOTAL CARRYING CHGS. & FINANCING	\$
27. Other	\$	LEGAL AND ORGANIZATION	
28. TOTAL TAXES	\$	A 64. Legal	\$
29. TOTAL EXPENSE & TAXES	\$	A 65. Organization	\$
H. INCOME COMPUTATIONS		66. TOTAL LEGAL AND ORGANIZATION	\$
30. Estimated Project	\$	A 67. Supplemental Management Fund	\$
Gross Income (Line C12 Page 1)	\$	A 68. Consultant Fee	\$
31. Occupancy Expense Project	\$	69. Builder and Sponsor Profit & Risk	\$
32. Effective Gross Income (\$100 x 31)	\$	70. Contingency Reserve	\$
33. Total Project Expenses (Line 29)	\$	71. TOTAL EST. DEVELOPMENT COST (Excl. of Land or Off-site Costs) (50+61+66+67+68+69+70)	\$
34. Net Income to Project (Line 32 - Line 33)	\$	72. LAND (Est. Market Price of Site)	\$
35. Expense Ratio (Line 29 - Line 32)	%	eq. ft. @ \$ per sq. ft.	\$
I. TOTAL REQUIREMENTS FOR SETTLEMENT		73. TOTAL ESTIMATED REPLACEMENT COST OF PROJECT (Add 71 + 72)	\$
1. DEVELOPMENT COSTS (Line 71)	\$	Source of Cash to meet Requirements:	
2. LAND INDEBTEDNESS (or Cash required for land acquisition)	\$		\$
3. SUBTOTAL (Line 1 + 2)	\$		\$
4. Mortgage Amount	\$		\$
5. Fees Paid by Other Than Cash	\$		\$
6. Line 4 + Line 5	\$		\$
7. CASH INVESTMENT REQUIRED (Line 3 - 6)	\$		\$
8. INITIAL OPERATING DEFICIT	\$		\$
9. ANTICIPATED DISCOUNT	\$		\$
10. Working Cap. (2% of Mgr. Amount)	\$		\$
11. Off-site Construction Costs	\$		\$
12. TOTAL ESTIMATED CASH REQUIREMENT (Lines 7 + 8 + 9 + 10 + 11)	\$		\$
J. ATTACHMENTS: (Required Exhibits)		K. Environmental Statement	
1. Location Map		10. Personal Financial & Credit Statement of Sponsors	
2. Evidence of Site Control (Option or Purchase) and Legal Description of Property		11. Form 2530 Previous Participation Certification	
3. Form 1010 Equal Employment Opportunity Certification		12. a. Form 2128 Contractor's and/or Mortgagee's Cost Breakdown	
4. Form 3635 Eligibility as Non-Profit Corporation		13. b. Architectural Exhibits - Preliminary	
5. Evidence of Loan Arm's-Length Transaction Price		14. b. Architectural Exhibits - Final	
6. Sketch Plans of Site		15. a. Survey and FHS Form No. 245	
7. Management Plan		16. a. Evidence of Architect's E & D Insurance Coverage	
8. Affirmative Marketing Plan		17. a. Copy of Owner Architect Agreement	
		18. a. Management Agreement	

J. NAMES, ADDRESSES AND TELEPHONE NUMBERS OF THE FOLLOWING:

- 1. Sponsor(s)

- 2. General Contractor

- 3. Architects

- 4. Sponsor's Attorney

K. CERTIFICATION:

The undersigned, as the principal sponsor of the proposed mortgagor, certifies that he is familiar with the provisions of the Regulations of the Federal Housing Commissioner under the above identified Section of the National Housing Act and that to the best of his knowledge and belief the mortgagor has complied, or will be able to comply, with all of the requirements thereof which are prerequisite to insurance of the mortgage under such Section.

The undersigned further certifies that to the best of his knowledge and belief no information or data contained herein or in the exhibits or attachments listed herein are in any way false or incorrect and that they are truly descriptive of the project or property which is intended as the security for the proposed mortgage and that the proposed construction will not violate zoning ordinances or restrictions of record.

The undersigned agrees with the Federal Housing Administration that pursuant to the requirements of the FHA Regulations, (a) neither he nor anyone authorized to act for him will decline to sell, rent or otherwise make available any of the property or housing in the multifamily project to a prospective purchaser or tenant because of his race, color, religion or national origin; (b) he will comply with federal, state and local laws and ordinances prohibiting discrimination; and (c) his failure or refusal to comply with the requirements of either (a) or (b) shall be a proper basis for the Commissioner to reject requests for future business with which the sponsor is identified or to take any other corrective action he may deem necessary.

Date _____ Signed _____ (Sponsor)

REQUEST FOR CONDITIONAL COMMITMENT

TO: FEDERAL HOUSING COMMISSIONER:

Pursuant to the provisions of the Section of the National Housing Act identified in the foregoing application and FHA Regulations applicable thereto, request is hereby made for the issuance of a conditional commitment to insure a mortgage covering the property described above.

After examination of the application and the proposed security, the undersigned considers the project to be desirable and is interested in making a loan in the principal amount of \$ _____, which will bear interest at _____%, will require repayment of principal over a period of _____ months according to an amortization plan to be agreed upon.

Insurance of advances during construction is, is not desired.

It is understood that the financing expense in the amount of \$ _____ is subject to adjustment so that the total will not exceed _____% of the amount of your commitment.

Herewith is check for \$ _____, which is in payment of the application fee required by said FHA Regulations.

Signed _____ (Proposed Mortgagor)

(Address of Mortgagor)

REQUEST FOR FIRM COMMITMENT

TO: FEDERAL HOUSING COMMISSIONER:

Pursuant to the provisions of the Section of the National Housing Act identified in the foregoing application and FHA Regulations applicable thereto, request is hereby made for the issuance of a firm commitment to insure a mortgage covering the property described above.

After examination of the application and the proposed security, the undersigned considers the project to be desirable and is interested in making a loan in the principal amount of \$ _____, which will bear interest at _____%, will require repayment of principal over a period of _____ months according to amortization plan to be agreed upon.

Insurance of advances during construction is, is not desired.

It is understood that the financing expense in the amount of \$ _____ is subject to adjustment so that the total will not exceed _____% of the amount of your commitment.

Herewith is check for \$ _____, which is in payment of the application and/or commitment fee required by said FHA Regulations.

Signed _____ (Proposed Mortgagor)

(Address of Mortgagor)

FOR FHA USE ONLY

Date Rec.	Amount	Code	Schedule	Rev. No.

APPENDIX 1

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

INSTRUCTIONS FOR COMPLETION OF FHA FORM NO. 2013-APPLICATION - PROJECT MORTGAGE INSURANCE

FORWARD TO INSTRUCTIONS: FHA procedures divide the process of filing an application for project insurance into a maximum of three stages, the first being a request for feasibility analysis, the second, a request through an approved mortgagee for a conditional commitment, and the third, a formal application through an approved mortgagee for a firm commitment.

A sponsor may combine two or three stages provided he has plans and exhibits in sufficient detail.

HUD Area Office or FHA Insuring office personnel will provide advice and assistance to sponsors and potential sponsors at all stages in connection with the submission of applications.

INSTRUCTIONS

A request for feasibility analysis may be submitted directly to the HUD Area Office or insuring office by letter or in person. All items except those identified by A on Form 2013 must be completed.
A request for a conditional commitment must be submitted by an approved mortgagee, on Form 2013 with all items except those identified by A completed and with the sponsor's certification and mortgagee's request executed. All information must be submitted in triplicate. Preliminary architectural exhibits must accompany this application, and architect must be identified.
A request for a Firm Commitment must be submitted in triplicate by an approved mortgagee on Form 2013 complete in its entirety.

Section A. Item 4 - Census tract number may usually be obtained from the local planning office. Item 7 - Row (Town House) is a non-elevator structure containing three or more living units, separated by vertical divisions, termed party or lot line walls. Detached is a dwelling structure containing one living unit. Semi-detached is a dwelling structure containing two living units separated vertically by a common side wall. Item 15a - Modules: Manufactured housing where the units are generally self contained, requiring minimal assembly on site. Components: Mass-fabricated housing requiring a major portion of the structure elements to be assembled on site.

Section B. In line 21 insert any cost paid, or contracted, in addition to the stipulated purchase price.
If the unit will require demolition expense, or other preparatory expense, this should be indicated and explained on an attached sheet. If the proposed site is leased, indicate the annual dollar amount of the ground rental. All other items in this section are self-explanatory.

Section C. Item 27 - Living Area (Sq. Ft.) is the area of a living unit measured from the inside faces of corridor and exterior walls and from the inside faces of partitions separating the living unit from other living or commercial areas.

Line 33: At Feasibility insert the estimated gross floor area which is the sum of all floor areas of headroom height within the exterior walls. When completing request for Conditional or Firm Commitment, insert the gross floor area, computed from the plans.

Lines 34 & 35: Net Rentable Residential Area is the sum of all living areas within the exterior walls. Net Rentable Commercial Area is the sum of all commercial areas within the exterior walls, measured from the interior faces of exterior walls, corridor walls and partitions separating the area from other commercial and/or living areas. Existing comparable structures should be used as a guide by the sponsor in making these estimates at Feasibility. At Conditional or Firm Commitment stage these areas should be calculated from the plans.

Section D. Self-explanatory.

Section E. Self-explanatory, except in Housing For The Elderly.

Lines 22 and 29: In Housing For The Elderly, the estimates will include only the expenses resulting from supplying tenants with shelter and utilities included in the rent. Separate income and expense budgets for supplying tenants with non-shelter services must be shown on Form 2013-E, Supplemental Application and Processing Form - Housing for the Elderly.

Section F. Line 31 - Occupancy percentage is estimated from market experience if data are available, otherwise sponsor's best estimate.

Section G. Line 36a - Enter cost for unusual site preparation such as piling, retaining walls, fill, etc.

Line 36b: Enter cost of other land improvements such as on-site utilities, landscape work, walks and drives.

Line 42: See Uniform System for Construction Specifications, Data Filing and Cost Accounting Pages 1.3 and 1.4.

Line 51 - Enter the estimated cost per gross square foot of building area. (Line 50 - Line C32 Page 1).

Line 53: Interest is the amount estimated to accrue during the anticipated period of construction. It is computed on one-half of the loan amount.

Line 54: Taxes which accrue during the construction period are estimated on a pro rata basis for the construction period. Special assessments, if any, should be estimated on a similar basis and included in the tax amount.

Line 55: Insurance includes fire, windstorm, extended coverage, liability, and other risks customarily insured against in the community. It does not include workman's compensation, public liability insurance, and architect's E&O insurance, which are included in the cost estimates.

Line 56: FHA mortgage insurance premium is the amount to be earned during the estimated construction period. The amount should be computed on the requested loan amount on a yearly basis. If the estimated construction period exceeds one year, the premium will be based on a two-year period. (Fee waived for 221(d)(3) below market interest rate projects).

Line 57: FHA examination fee is computed on the requested loan amount.

Line 58: FHA inspection fee is computed on the requested loan amount when the project involves new construction, and on the estimated cost of rehabilitation when the project involves the rehabilitation of an existing structure.

Line 59: Financing fee is computed at 2% on the loan amount. It is an initial service-charge. This is not to be confused with discounts.

Line 60: AMPO is an allowance to make the project operational computed at 2% of the maximum loanable mortgage amount. It is allowable in cases involving non-profit mortgages (not including cooperative mortgages).

Line 61: FMMA-GNMA Fee: The local insuring office personnel will advise interested sponsors of the current maximum rate for, and applicability of this expense.

Line 62: Title and Recording Expense: This is the cost typically incurred by a mortgagee, in connection with a mortgage transaction. This cost generally includes such items as recording fees, mortgage and stamp taxes, cost of survey and title insurance including all title work involved between initial and final endorsement.

Line 64 & 65: Legal and Organizational Expense: Estimate will be based upon the typical cost usually incurred for these services in the area where the project is to be located. These items should be recorded separately.

Line 67: Supplemental Management Fund For Subsidized Projects Only: Allowance must not exceed \$100 Per Unit, Excluding Non-Revenue Producing Units, If Any.

Line 68: Consultant fee, if any, enter amount to be charged the non-profit sponsor by qualified consultant.

Line 69: Builder's and sponsor's profit and risk allowance: This is based on total estimated cost of on-site utilities, landscape work, structures, general overhead expense, architect's fees, carrying charges, financing, legal and organization expense, plus line 67. It is allowable only in 220, 221(d)(3) Limited Distribution, 226 Limited Distribution, 221(d)(4) and 231 profit motivated projects. In these projects it is in lieu of, and not in addition to, builder's profit.

Line 70: Contingency fee, allowable for rehabilitation projects only, not to exceed 10% of the sum of lines 36c, 41 and 42 in Section G.

Line 72: Land: Enter purchase price if purchased from local public authority, otherwise, sponsor's estimate of value in finished condition (including off-sites, cuts, fills, drainage, etc.).

Section H. Requirements for Settlement:

Line 1 - Self-explanatory.

Line 2 - Reflect amount required to clear title to site. If land is to be acquired, the unpaid balance of the purchase price shall be entered. If leasehold or if land is owned free and clear of encumbrances, enter "None." Indebtedness against land should be supported by options, purchase agreements, etc.

Line 3 - Enter the sum of "Development Cost" and "Land Indebtedness."

Line 4 - Enter principal amount of mortgage requested.

Line 5 - Enter any portion of the Builder's Profit, Builder's and Sponsor's Profit and Risk Allowance or that portion of the Design Architect's Fee to be paid by means other than cash, or waived.

Line 6 - Self-explanatory.

Line 7 - Self-explanatory.

Line 8 - Insert the amount required to meet operating and debt service expense from project completion, until such time as income is adequate to provide a self-sustaining operation.

Line 9 - Enter discount to be paid for placement of the permanent mortgage as well as any discount required by the construction lender.

Line 10 - Enter 2% of mortgage requested.

Line 11 - The cost of improvements outside property lines such as streets and utilities, which will not be installed at public or utility company expense should be entered here.

Section I. (Required Exhibit) All exhibits necessary for a particular stage of processing must accompany the application, see first three paragraphs under "INSTRUCTIONS" above.

Section J. Self-explanatory.

Section K. Self-explanatory.

FHA FORM NO. 2013

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