

CHAPTER 2. FINAL COMPLETION, ADMINISTRATIVE COMPLETION, AND CUT-OFF DATES

2-1. FINAL COMPLETION DATE FOR DETERMINING ACTUAL COSTS. The date the HUD representative signs the Trip Report, Form HUD-5379, showing construction is complete except for acceptable items of delayed completion. The Chief Architect must sign Form as the final inspection report.

- A. The mortgagor, general contractor and mortgagee will be notified in writing of the final completion date.
- B. The final completion date is the effective date for cost certification. However, the mortgagor may include the cost of interest, taxes, insurance, mortgage insurance premiums and finance fees incurred up to 60 days beyond this date.
 - 1. The date selected by the mortgagor is known as the cut-off date for the cost of interest, taxes, mortgage insurance premiums and finance fees.
 - 2. The additional time is to allow for rent-up of the project.
- C. The date of the balance sheet and operating statement submitted with the mortgagor's cost certification must coincide with the selected cut-off date.

2-2. ADMINISTRATIVE COMPLETION DATE. The HUD Field Office Director of Housing Development may set an administrative completion date when the monthly project inspection report shows less than a 2 percent increase in the percentage of work completed in any month after 95 percent completion has been reached. This is to prevent unnecessary accumulation of soft costs when nearly completed projects face unnecessary delays.

- A. Paragraphs 2-1.A, B and C apply. However, the mortgagor shall certify to costs using the administrative completion date in lieu of the final completion date.
- B. Liquidated/actual damages for cost certification purposes will be computed using the administrative completion date. However, the general contractor is responsible for liquidated/actual damages through the date of final completion.