

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Conditional Commitment Letter for Construction Financing

Dear [Contact Person Name],

We are pleased to inform you that [Lender Name] ("Lender") has approved your request for a construction loan, subject to the terms and conditions outlined in this letter.

1. Loan Terms:

- **Loan Amount:** \$[Amount]
- **Interest Rate:** [Rate]% (Fixed/Variable)
- **Loan Term:** [Number] months
- **Collateral:** First Deed of Trust on property located at [Property Address]

2. Conditions Precedent to Closing:

This commitment is contingent upon the satisfactory completion and delivery of the following:

- Final construction plans and specifications approved by the Lender.
- An executed construction contract with [Contractor Name].
- A certified appraisal showing a minimum "as-completed" value of \$[Amount].
- Proof of Builder's Risk and Liability Insurance naming Lender as Loss Payee.
- Satisfactory review of Borrower's updated financial statements.
- Obtainment of all necessary building permits and environmental clearances.

3. Disbursement of Funds:

Funds will be disbursed based on a pre-approved draw schedule following inspections to verify completed work and lien waiver submissions.

4. Expiration:

This commitment shall expire on [Expiration Date] unless a formal loan agreement is executed prior to that date.

Please acknowledge your acceptance of these terms by signing below and returning this letter by [Deadline Date].

Sincerely,

[Signature]
[Name of Authorized Representative]
[Title]
[Lender Name]

Acceptance:

The undersigned Borrower hereby accepts the terms of this Conditional Commitment Letter.

Signature: _____ Date: _____