

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Firm Commitment for Construction Financing

Dear [Borrower Name],

[Lender Name] ("Lender") is pleased to inform you that your application for a construction loan has been approved. This letter constitutes a firm commitment to provide financing for the project described below under the following terms and conditions:

1. PROJECT DESCRIPTION:

The construction of [Project Name/Description] located at [Property Address].

2. LOAN AMOUNT:

A maximum principal amount of \$[Amount].

3. INTEREST RATE:

[Fixed/Variable] rate of [Percentage]%. [Optional: Based on Prime Rate plus a margin of X%].

4. LOAN TERM:

A construction period of [Number] months, followed by [Repayment Terms/Maturity Date].

5. COLLATERAL:

A first priority mortgage or deed of trust on the real property and all improvements located at [Property Address].

6. DISBURSEMENT OF FUNDS:

Funds will be disbursed based on a mutually agreed-upon draw schedule, subject to site inspections and verification of work completed by the Lender's agent.

7. CONDITIONS PRECEDENT TO CLOSING:

Closing is subject to the satisfaction of the following:

- Receipt of final construction plans and specifications.
- Executed construction contract with [Contractor Name].
- Valid building permits and environmental clearances.
- Satisfactory appraisal and title insurance policy.
- Evidence of required builder's risk and liability insurance.

8. EXPIRATION OF COMMITMENT:

This commitment shall expire on [Date] unless the loan is closed or an extension is granted in writing by the Lender.

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

Sincerely,

[Signature]

[Name of Authorized Representative]

[Title]

[Lender Name]

ACCEPTED AND AGREED:

By: _____

Name: [Borrower Representative Name]

Date: _____