

[Lender Name]
[Lender Address]
[City, State, Zip Code]

[Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

RE: Commitment Letter for Phased Construction Financing

Project Name: [Project Name]
Property Address: [Property Address]

Dear [Borrower Contact Name],

[Lender Name] ("Lender") is pleased to advise you that your application for a construction loan has been approved. This commitment is subject to the terms and conditions outlined below:

1. Loan Amount: The total aggregate principal amount shall not exceed \$[Total Amount].

2. Phased Disbursement Schedule: Funding will be released in phases based on the following milestones:

- **Phase 1 (Site Prep/Foundation):** \$[Amount]
- **Phase 2 (Vertical Construction/Framing):** \$[Amount]
- **Phase 3 (Interior/Finishing):** \$[Amount]
- **Phase 4 (Final Completion/Closeout):** \$[Amount]

3. Interest Rate: The interest rate shall be [Percentage]% per annum, calculated on a [Fixed/Floating] basis.

4. Maturity Date: The loan shall mature on [Date], at which point all outstanding principal and interest shall be due.

5. Conditions Precedent to Each Phase: Release of funds for each subsequent phase is contingent upon:

- Satisfactory inspection of the prior phase by a Lender-approved inspector.
- Verification of lien waivers from all contractors and subcontractors.
- Updated title insurance endorsements.
- Proof of continued compliance with all local building codes and permits.

6. Collateral: This loan will be secured by a first-priority deed of trust or mortgage on the property located at [Property Address].

7. Expiration of Commitment: This commitment shall expire unless accepted in writing by the Borrower and returned to the Lender by [Expiration Date].

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Signature]

[Name of Lender Representative]

[Title]

Accepted and Agreed:

By: _____

[Borrower Name]

Date: _____