

**DATE:** [Date]

**BORROWER(S):**

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

**RE: RESIDENTIAL CONSTRUCTION LOAN COMMITMENT**

Dear [Borrower Name],

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

**1. LOAN TERMS**

- **Loan Amount:** \$[Amount]
- **Interest Rate:** [Rate]% (Fixed/Variable)
- **Loan Term:** [Number] Months
- **Repayment Type:** Interest-only during construction phase
- **Property Address:** [Address of construction site]

**2. DISBURSEMENT OF FUNDS**

Loan proceeds will be disbursed according to a predefined "Draw Schedule" based on the progress of construction. Each draw request is subject to an inspection by a Lender-approved inspector to verify completion of work.

**3. CONDITIONS PRECEDENT TO CLOSING**

This commitment is contingent upon the following:

- Receipt of final construction plans and specifications.
- A signed fixed-price contract with [Contractor Name].
- Satisfactory appraisal showing "as-completed" value.
- Evidence of builder's risk insurance and general liability insurance.
- Clear title report and issuance of a title insurance policy.
- Verification of Borrower's equity contribution of \$[Amount].

**4. FEES AND COSTS**

The Borrower is responsible for all closing costs, including but not limited to: origination fees, appraisal fees, inspection fees, and legal expenses.

**5. EXPIRATION**

This commitment letter is valid until [Expiration Date]. If the loan is not closed by this date, the Lender reserves the right to renegotiate terms or terminate this commitment.

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

Sincerely,

[Officer Signature]

[Officer Name]

[Lender Name]

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**ACCEPTANCE:**

I/We hereby accept the terms and conditions of this Commitment Letter.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date