

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Commitment Letter for Revolving Construction Credit Facility

Dear **[Contact Person Name]**,

[Lender Name] ("Lender") is pleased to advise you that it has approved your request for a Revolving Construction Financing Facility ("Facility") subject to the following terms and conditions:

- **Borrower:** [Legal Name of Borrower]
- **Facility Amount:** \$[Amount in Numbers] ([Amount in Words] Dollars)
- **Facility Type:** Revolving Construction Loan
- **Purpose:** To finance the construction of [Number] residential/commercial units located at [Project Address/Legal Description].
- **Interest Rate:** [e.g., WSJ Prime Rate + X.XX%]
- **Maturity Date:** [Number] months from the date of closing.
- **Repayment:** Interest-only payments due monthly. Principal is repaid upon the sale of individual units or the final maturity date.
- **Collateral:** First priority mortgage/deed of trust on the real property and all improvements thereon.
- **Guarantors:** [Names of Personal or Corporate Guarantors].
- **Advance Rate:** Up to [Percentage]% of the appraised value or [Percentage]% of construction costs.

Conditions to Closing:

This commitment is subject to the satisfaction of the following conditions prior to closing:

1. Receipt and approval of final plans and specifications.
2. Satisfactory independent appraisal of the project.
3. Evidence of required equity contribution.
4. Acceptable Phase I Environmental Site Assessment.
5. Issuance of a valid building permit for the project.
6. Execution of standard loan documentation prepared by Lender's counsel.

Commitment Fee: A non-refundable fee of \$[Amount] is due upon acceptance of this letter.

Expiration: This commitment shall expire if not accepted in writing by **[Expiration Date]**.

Sincerely,

[Authorized Signature]
[Name and Title]
[Lender Name]

Acceptance:

The undersigned hereby accepts the terms and conditions of this Commitment Letter.

By: _____
Name: [Borrower Authorized Signatory]
Date: _____