

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: STANDBY CONSTRUCTION FINANCING COMMITMENT

Dear [Borrower Name],

[Lender Name] ("Lender") is pleased to confirm its commitment to provide a Standby Construction Financing facility to [Borrower Name] ("Borrower") for the project located at [Project Address/Description], subject to the following terms and conditions:

- 1. LOAN AMOUNT:** A maximum principal amount of \$[Amount in Figures] ([Amount in Words]).
- 2. PURPOSE:** To provide standby funding for the construction and completion of the project known as [Project Name].
- 3. INTEREST RATE:** The interest rate shall be [Percentage]% per annum, or [Index] plus [Margin]%.
- 4. TERM:** This commitment is valid for a period of [Number] months from the date of this letter. The loan maturity date shall be [Number] months following the initial draw.
- 5. COMMITMENT FEE:** A non-refundable standby fee of \$[Amount] is payable upon acceptance of this commitment.
- 6. DISBURSEMENT CONDITIONS:** Funding is subject to the following:
 - Execution of formal loan agreements and promissory notes.
 - Approval of final construction plans, budgets, and schedules.
 - Evidence of required permits and insurance coverage.
 - Clear title report and first-priority lien position for the Lender.
 - [Additional Condition 1]
 - [Additional Condition 2]
- 7. EXPIRATION:** This offer remains open for acceptance until [Time] on [Date]. If not signed and returned by that time, this commitment shall expire.

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Lender Signature]

[Name and Title of Authorized Signatory]

[Lender Name]

ACCEPTED AND AGREED:

By: _____

Name: [Borrower Authorized Signatory]

Title: [Title]

Date: [Date]