

**Date:** [Insert Date]

**Borrower Name:** [Insert Borrower Name]

**Property Address:** [Insert Property Address]

**Loan Number:** [Insert Loan Number]

Dear [Insert Borrower Name],

We are pleased to inform you that your mortgage application for the above-referenced property has received **Conditional Approval**. This property is classified as a **Non-Warrantable Condominium** due to the commercial space square footage exceeding standard agency guidelines.

This approval is subject to the satisfaction of the following specific conditions related to the commercial aspect of the project:

- **Certified Square Footage:** A certified statement from the Homeowners Association (HOA) or developer confirming the exact total square footage of the residential vs. commercial space.
- **Commercial Usage Type:** Documentation confirming that the commercial activity is compatible with residential living and does not pose a health or safety risk.
- **Insurance Review:** Evidence of adequate liability and master insurance coverage that specifically accounts for the commercial component of the building.
- **Appraisal Review:** Final appraisal report reflecting the marketability of the unit within a mixed-use project and confirming no adverse impact from commercial proximity.
- **HOA Financials:** Review of the current year's budget to ensure commercial tenants are contributing proportionately to the common area maintenance and reserves.

Please note that this is not a final commitment to lend. Final approval is contingent upon the underwriting department's review and acceptance of all requested documentation. All other standard credit, income, and asset conditions listed in your initial loan disclosure must also be met.

This conditional approval will expire on [Insert Expiration Date].

Sincerely,

[Insert Loan Officer Name]

[Insert Company Name]

[Insert Contact Information]