

Date: [Date]

To: [Borrower Name]

Property Address: [Property Address]

Project Name: [Condominium Project Name]

Loan Number: [Loan Number]

CONDITIONAL APPROVAL LETTER: NON-WARRANTABLE CONDOMINIUM

Dear [Borrower Name],

We are pleased to inform you that your mortgage application for the property listed above has been conditionally approved. This project has been classified as a Non-Warrantable Condominium due to the new construction phasing and current absorption rates.

This approval is subject to the following project-specific conditions:

- **Phase Completion:** Verification that the specific phase containing the subject unit is 100% complete.
- **Presale Requirement:** Evidence that at least [Percentage]% of the units in the current phase are under contract or closed to owner-occupants.
- **Developer Control:** Receipt of the recorded transition plan or evidence of the date for transfer of control from the developer to the HOA.
- **Insurance:** Copy of the Master Insurance Policy including replacement cost, general liability, and fidelity bond coverage.
- **Budget:** Review of the current year's HOA budget showing at least 10% of dues allocated to replacement reserves.
- **Pending Litigation:** A signed statement from the HOA board or developer confirming no pending litigation against the association.

Please note that this is not a final commitment to lend. Final approval is contingent upon the satisfactory review of the items listed above, as well as updated credit, income, and asset documentation if applicable.

This conditional approval will expire on [Expiration Date].

Sincerely,

[Underwriter/Officer Name]

[Company Name]

[Phone Number]

[Email Address]