

Date: [Date]

Loan Number: [Loan Number]

Borrower Name: [Borrower Name]

Property Address: [Property Address]

Subject: Conditional Approval - Special Assessment Review (Non-Warrantable)

Dear [Borrower Name],

We are pleased to inform you that your application for the condominium unit referenced above has received a conditional approval regarding the project's non-warrantable status and current special assessments.

This approval is subject to the following conditions being met prior to closing:

- **Special Assessment Documentation:** Provide a formal statement from the Homeowners Association (HOA) outlining the total amount, purpose, and remaining term of the active special assessment.
- **Lien Status:** Verification that the special assessment does not create a priority lien over the first mortgage.
- **Financial Reserves:** Review of the most recent HOA audited financial statements to ensure adequate cash flow to cover ongoing litigation or capital improvements.
- **Down Payment Requirement:** Confirmation of a minimum down payment of [Percentage]%, as required for non-warrantable project financing.
- **HOA Certification:** Completion of a full Condo Project Questionnaire signed by an authorized HOA representative.

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

If you have any questions, please contact your Loan Officer at [Phone Number].

Sincerely,

[Underwriter Name/Lender Name]

[Company Name]