Date: [Date]

Loan Number: [Loan Number]

Borrower(s): [Borrower Name(s)]

Property Address: [Subject Property Address]

FHA CONSTRUCTION-TO-PERMANENT CONDITIONAL APPROVAL LETTER

Dear [Borrower Name],

Congratulations. Your application for an FHA Construction-to-Permanent mortgage loan has been conditionally approved based on the information provided. This approval is subject to the satisfactory completion of the conditions listed below prior to the closing of your interim construction financing.

Loan Terms:

- **Loan Amount:** $[Amount]
- **Loan Program:** FHA Section 203(b) Construction-to-Permanent
- **Interest Rate:** [Rate]%
- **Amortization Term:** [Term in Months]

General Approval Conditions:

- Verification of final credit report and updated income documentation.
- Satisfactory FHA Case Number assignment and CAIVRS clearance.
- Evidence of sufficient funds for down payment and closing costs.
- Final underwriting review of the executed Sales Contract and Construction Contract.

Construction & Site Conditions:

- A satisfactory FHA-compliant Appraisal reflecting the "Subject To" value based on plans and specifications.
- Approval of the Builder/Contractor by the lender.
- Copy of the fully executed Builder's Certification (Form HUD-92541).
- Submission of complete building plans, specifications, and a detailed line-item cost breakdown.
- Copy of all required building permits and zoning approvals.
- Evidence of Builder's Risk Insurance and General Liability Insurance.

Closing & Permanent Conversion Requirements:

- Issuance of a final Certificate of Occupancy by the local municipality.
- Final inspection by an FHA-approved inspector or appraiser confirming completion according to plans.
- Completion of a Substantial Completion Compliance Report (Form HUD-92051).
- Title insurance update confirming no mechanic's liens have been filed.

This conditional approval is not a commitment to lend. Final approval is subject to the lender's verification of all information and the fulfillment of all conditions above. This letter expires on [Expiration Date].

Sincerely,

[Loan Officer Name]
[Lending Institution Name]
[Contact Information]