Date: [Date]

Borrower(s): [Borrower Names]

Property Address: [Subject Property Address]

Loan Amount: $[Amount]

Loan Program: USDA Rural Development Section 502 Single Family Housing Guaranteed Loan Program

Dear [Borrower Name(s)],

Congratulations. Your application for a USDA Construction-to-Permanent loan has been conditionally approved based on the information provided. This approval is subject to the satisfaction of the conditions listed below prior to the closing of the interim construction phase and the final conversion to permanent financing.

Loan Terms:

- **Interest Rate:** [Rate]%
- **Loan Term:** [Number of Months/Years]
- **Construction Period:** [Number of Months]
- **LTV (Loan-to-Value):** [Percentage]%

Conditions for Final Approval and Closing:

1. **Appraisal:** Receipt of a satisfactory "as-completed" appraisal meeting USDA guidelines.
2. **Plans and Specs:** Submission of final architectural plans and cost specifications.
3. **Builder Approval:** Final vetting and approval of the selected licensed contractor/builder.
4. **Permits:** Evidence of all necessary building permits and local authority approvals.
5. **Insurance:** Evidence of Builder's Risk insurance and a standard homeowner's policy.
6. **Income Verification:** Re-verification of employment and income prior to closing.
7. **Credit Material:** No material changes to the borrower's credit profile or debt-to-income ratio.
8. **USDA Commitment:** Receipt of Form RD 3555-18, "Conditional Commitment," from the USDA Rural Development office.
9. **Inspections:** Agreement to a scheduled inspection and draw timeline during the construction phase.

This conditional approval is not a final commitment to lend. This letter will expire on [Expiration Date] if the loan has not closed or if an extension has not been granted in writing.

Please contact your loan officer at [Phone Number] or [Email] to proceed with the next steps.

Sincerely,

[Loan Officer Name]
[Title]
[Lending Institution Name]