

Date: [Date]

Loan Number: [Loan Number]

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

Property Address: [Property Address]

CONDITIONAL APPROVAL LETTER: FHA 203(k) STANDARD RENOVATION

Dear [Borrower Name],

Congratulations. Your application for an FHA 203(k) Standard Renovation loan has been conditionally approved based on the initial credit and property review. This approval is subject to the satisfaction of the conditions listed below.

LOAN SUMMARY

- **Purchase Price/Refinance Value:** \$[Amount]
- **Total Renovation Cost:** \$[Amount]
- **Total Loan Amount:** \$[Amount]
- **Loan Term:** [Term, e.g., 30 Years]
- **Interest Rate:** [Rate]%

CONDITIONS REQUIRED FOR FINAL APPROVAL

1. Renovation & Consultant Requirements

- Final Work Write-Up and Cost Estimate signed by an FHA-approved 203(k) Consultant.
- Architectural exhibits and/or engineering reports (if applicable for structural changes).
- Executed Contractor Profile and Work Agreement for all selected contractors.
- Copies of Contractor licenses, liability insurance, and worker's compensation.
- Specific permits as required by local building authorities.

2. Appraisal & Property Requirements

- Subject-to-Completion Appraisal confirming the "After-Improved" value.
- Clear termite/pest inspection report.
- Lead-based paint stabilization certification (if property was built prior to 1978).

3. Financial & Credit Requirements

- Updated paystubs for the most recent 30-day period.
- Most recent two months of bank statements for all accounts.
- Verification of sufficient funds for down payment and closing costs.
- Satisfactory explanation of any recent credit inquiries.

This conditional approval is not a commitment to lend. Final approval is subject to a satisfactory review of the items above and no material change in your financial condition. This approval expires on [Expiration Date].

Sincerely,

[Loan Officer Name]

[Lending Institution Name]

[NMLS Number]

[Contact Phone Number]