

Date: [Date]

Loan Number: [Loan Number]

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

Property Address: [Property Address]

Subject: Conditional Approval - Freddie Mac CHOICERenovationSM Mortgage

Dear [Borrower Name],

Congratulations. Your application for a Freddie Mac CHOICERenovation mortgage has been conditionally approved. This approval is based on a preliminary review of your creditworthiness and the proposed renovation plans for the property located at the address above.

Final approval and funding are subject to the satisfaction of the following conditions:

- **Renovation Contract:** A signed contract between the borrower and a licensed contractor detailing the scope of work and costs.
- **Plans and Specifications:** Detailed descriptions of the renovations to be completed.
- **Appraisal Report:** An "As-Completed" appraisal confirming the property's value after renovations.
- **Contractor Validation:** Verification of the contractor's license, insurance, and professional references.
- **Renovation Escrow Account:** Finalization of the renovation budget, including required contingency reserves (typically 10-15%).
- **Title Update:** An updated title commitment ensuring no liens are present.
- **Homeowners Insurance:** Evidence of adequate insurance coverage, including any required builder's risk endorsements.
- **Financial Documentation:** Verification of remaining down payment and closing cost funds.

Important Reminders:

- No renovation work should begin prior to the loan closing.
- Disbursements of renovation funds (draws) will be managed by [Lender Name/Service] based on completed inspections.
- All renovations must be completed within [Number] months of the loan closing date.

Please submit the requested documentation by [Date] to ensure a timely closing. This conditional approval is subject to change if there are any material changes to your financial status or the property condition.

Sincerely,

[Loan Officer Name]

[Lender Name]

[Phone Number]

[Email Address]