

USDA Rural Development

Date: [Date]

Subject: Conditional Commitment for Renovation Loan Approval

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

Property Address: [Full Property Address]

Loan Amount: \$[Amount]

Loan Type: USDA Rural Development [Section 502/504] Renovation Loan

Dear [Borrower Name],

Congratulations. Your application for a USDA Rural Development Renovation Loan has been conditionally approved. This commitment is subject to the following terms and conditions being met prior to final closing:

1. Financial and Credit Conditions

- Verification of continued employment and income through the date of closing.
- Submission of most recent 30 days of pay stubs and 60 days of bank statements.
- Satisfactory explanation of any new credit inquiries or debt incurred since application.
- Proof of homeowners insurance policy including "Replacement Cost" coverage.

2. Renovation and Property Conditions

- Final approval of the detailed Work Write-up and Cost Estimate.
- Copy of the signed contract between the Borrower and a licensed/insured General Contractor.
- Verification of Contractor's credentials, including valid license and liability insurance.
- Receipt of a final appraisal reflecting the "As-Improved" value of the property.
- USDA Environmental Review and site inspection approval.

3. Closing and Escrow Conditions

- Establishment of a Renovation Escrow Account for the disbursement of funds.
- Execution of the Rehabilitation Loan Agreement.
- Clear Title Commitment showing no liens or encumbrances that interfere with USDA's lien position.

This conditional approval is valid until [Expiration Date]. If the conditions listed above are not met by this date, this commitment may be voided unless an extension is granted in writing.

Please contact your loan officer at [Phone Number] or [Email] to submit the required documentation.

Sincerely,

[Authorized Signature]

[Name of Loan Officer/Underwriter]

[Title]

USDA Rural Development / [Lending Institution Name]