[Lender Name]
[Lender Address]
[City, State, Zip Code]

Date: [Date]

Borrower: [Borrower Name]
Property Address: [Property Address]
Loan Amount: $[Amount]

Subject: Conditional Approval of Commercial Mortgage Loan

Dear [Borrower Name],

We are pleased to inform you that your application for a commercial mortgage loan has been conditionally approved. This approval is subject to the terms and conditions outlined in this letter and the formal commitment letter to follow.

Primary Condition: Subordination of Existing Debt

This approval is strictly contingent upon the full execution and recording of a Subordination Agreement. The existing lien held by **[Name of Subordinate Lender]** in the original amount of **$[Amount]** must be subordinated to **[Lender Name]**'s new first mortgage position.

The Subordination Agreement must meet the following requirements:

- The subordinate lender must formally agree to remain in a junior lien position.
- The agreement must be in a form acceptable to our legal counsel.
- The agreement must be recorded concurrently with our Deed of Trust/Mortgage in the local land records.

Additional Conditions:

- Satisfactory review of a final Title Insurance Commitment.
- Current appraisal verifying a Loan-to-Value (LTV) ratio not exceeding [Percentage]%.
- Verification of updated financial statements for all guarantors.
- Evidence of adequate property and hazard insurance naming [Lender Name] as Loss Payee.

This letter is a statement of conditional intent and does not constitute a final binding commitment to lend. Final approval is subject to the satisfactory completion of all due diligence and the execution of final loan documentation.

Please acknowledge your receipt of this letter and your intent to proceed by signing below.

Sincerely,

[Officer Name]
[Title]
[Lender Name]

Acknowledged and Accepted:

____
[Borrower Signature]

Date: ___________________