[Lender Letterhead]

[Date]

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

RE: Conditional Approval of Construction Loan

Dear [Borrower Name],

We are pleased to inform you that your application for a construction loan in the amount of $[Loan Amount] for the property located at [Property Address] has been conditionally approved.

This approval is subject to the following primary condition:

Subordination of Existing Debt: This commitment is contingent upon the execution and recording of a Subordination Agreement by [Name of Junior Lienholder]. The existing lien/mortgage held by said party must be legally subordinated to [Lender Name]'s new construction mortgage, ensuring that [Lender Name] holds a first-priority lien position on the subject property.

In addition to the subordination requirement, this approval is subject to the following standard conditions:

- Receipt of a satisfactory appraisal report.
- Final review and approval of construction plans, specifications, and budget.
- Verification of current income and updated financial statements.
- Clear title report and proof of builder's risk insurance.
- Execution of all final loan and construction escrow documentation.

This conditional approval is valid until [Expiration Date]. Please provide the required Subordination Agreement and any outstanding documentation by [Deadline Date] to proceed toward closing.

Sincerely,

[Signature]
[Name of Loan Officer]
[Title]
[Lender Name]