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

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

RE: Conditional Approval of Subordination Request
Loan Number: [Second Lien Loan Number]

Dear [Borrower Name],

We are pleased to inform you that [Lender Name] has granted conditional approval to subordinate our second lien position to your new first mortgage with [New Senior Lender Name]. This approval is subject to the following terms and conditions:

- **Maximum Loan Amount:** The new first mortgage must not exceed $[Amount].
- **Cash-Out Limitation:** No cash-out is permitted to the borrower. All proceeds must be used for refinancing the existing first mortgage and paying closing costs.
- **Maximum LTV/CLTV:** The combined loan-to-value ratio must not exceed [Percentage]%.
- **Required Documentation:** Submission of a final HUD-1 or Closing Disclosure prior to execution.
- **Processing Fee:** Receipt of a non-refundable subordination fee in the amount of $[Amount].
- **Appraisal:** Submission of a current property appraisal satisfactory to [Lender Name].

This conditional approval is valid until [Expiration Date]. If the loan does not close by this date, a new application and updated documentation may be required.

Please provide the requested documents to our Subordination Department at [Email/Address]. Once all conditions are met, we will issue the formal Subordination Agreement for recording.

Sincerely,

[Authorized Signature]
[Printed Name]
[Title]
[Lender Name]