

**DATE:** [Insert Date]

**BORROWER(S):** [Insert Borrower Names]

**PROPERTY ADDRESS:** [Insert Subject Property Address]

**LOAN AMOUNT:** \$[Insert Loan Amount]

**LOAN TYPE:** Construction-to-Permanent Mortgage

Dear [Borrower Name],

Congratulations. [Insert Lending Institution Name] is pleased to inform you that your application for a construction mortgage loan has been conditionally approved based on the terms outlined below.

## 1. LOAN TERMS

- **Interest Rate (Construction Phase):** [Insert Rate]%
- **Construction Term:** [Insert Number of Months] months
- **Interest Rate (Permanent Phase):** [Insert Rate]% / [Insert Fixed or Adjustable]
- **Amortization:** [Insert Term, e.g., 30 Years]

## 2. PRIOR-TO-CLOSING CONDITIONS

This commitment is subject to the satisfaction of the following conditions prior to the scheduling of a closing date:

- Final executed construction contract between Borrower and [Insert Builder Name].
- Review and approval of final plans and specifications.
- Satisfactory Line Item Cost Breakdown (Sworn Construction Statement).
- Copy of Builder's Risk Insurance policy and General Liability Insurance.
- Satisfactory appraisal "as completed" showing a value of at least \$[Insert Amount].
- Validation of [Insert Amount] in remaining liquid assets for closing costs and contingency.
- Verification of current employment and updated paystubs within 30 days of closing.

## 3. CONSTRUCTION DISBURSEMENT CONDITIONS

- Funds will be disbursed based on a pre-approved draw schedule.
- Each draw request is subject to a site inspection by a bank-approved inspector.
- Title insurance updates (endorsements) are required with each draw to ensure no mechanic's liens.

## 4. EXPIRATION

This conditional commitment shall expire on [Insert Expiration Date]. If the loan does not close by this date, the lender reserves the right to renegotiate terms or require a new application.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Insert Loan Officer Name]

[Insert Title]

[Insert Lender Name]

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**BORROWER ACCEPTANCE:**

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date