Date: [Date]

Borrower Name(s): [Borrower Name(s)]
Property Address: [Property Address]
Loan Number: [Loan Number]

REVERSE MORTGAGE PRINCIPAL LIMIT COMMITMENT LETTER

Dear [Borrower Name(s)],

We are pleased to inform you that your application for a reverse mortgage has been approved. This letter serves as your formal commitment for the Principal Limit based on current program guidelines and the appraisal of your property.

Loan Terms and Calculations:

- **Appraised Property Value:** $[Amount]
- **Maximum Claim Amount:** $[Amount]
- **Principal Limit (Total Funds Available):** $[Amount]
- **Initial Interest Rate:** [Percentage]%
- **Expected Interest Rate:** [Percentage]%

Initial Disbursements and Allocations:

- **Mandatory Obligations (Payoffs/Fees):** $[Amount]
- **Initial Cash Draw:** $[Amount]
- **Repair Administration Reserve:** $[Amount]
- **Net Principal Limit (Remaining Line of Credit):** $[Amount]

Conditions of Commitment:

This commitment is subject to the following conditions being met prior to or at the time of closing:

1. Verification of clear title and valid homeowner's insurance.
2. Satisfactory completion of all required property repairs, if applicable.
3. Final review of credit history and financial assessment.
4. No material change in your financial condition or the property status.

This commitment will expire on [Expiration Date]. If the loan does not close on or before this date, the interest rate and principal limit may be subject to change based on prevailing market conditions.

Please sign below to acknowledge your acceptance of these terms and return this letter to our office.

Sincerely,

[Lender Name]
[Representative Name]
[Title]

Borrower Acceptance:

I/We accept the terms of this Principal Limit Commitment Letter.

____
[Borrower Signature] [Date]

____
[Co-Borrower Signature] [Date]