

[Date]

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

**RE: Notice of Conversion and Rate Lock Agreement**

Loan Number: [Insert Loan Number]

Dear [Borrower Name],

We are pleased to notify you that your construction phase is nearing completion. This letter serves as formal notice of the conversion of your loan from the construction phase to the permanent financing phase, effective [Conversion Date].

**1. Rate Lock Confirmation**

In accordance with your construction-to-permanent agreement, your interest rate has been locked as follows:

- Fixed Interest Rate: [Insert Rate]%
- Rate Lock Expiration: [Insert Date]

**2. Loan Modification Terms**

Upon conversion, your loan terms will be modified as follows:

- Principal Balance: \$[Insert Amount]
- Loan Term: [Insert Number of Months/Years]
- First Permanent Payment Due Date: [Insert Date]
- Estimated Monthly Principal and Interest: \$[Insert Amount]

**3. Required Documentation**

To finalize this conversion, please provide the following items by [Deadline Date]:

- Final Certificate of Occupancy
- Final Inspection Report
- Updated Homeowners Insurance Policy showing the permanent loan amount

Please sign and return the enclosed Loan Modification Agreement to execute these changes. Failure to return the documents by the deadline may result in a change to the locked interest rate.

If you have any questions regarding your new payment schedule or the conversion process, please contact our Loan Servicing Department at [Phone Number].

Sincerely,

[Name of Loan Officer/Representative]  
[Financial Institution Name]

---

**Acknowledgment**

By signing below, I/we acknowledge and agree to the rate lock and modification terms stated above.

---

Borrower Signature / Date

---

Co-Borrower Signature / Date