

Date: [Insert Date]

Loan Number: [Insert Loan Number]

Property Address: [Insert Property Address]

Construction-to-Permanent Rate Lock Conversion Fee Disclosure

Dear [Borrower Name(s)],

This letter serves to disclose the fees associated with converting your construction loan phase to a permanent fixed-rate mortgage. As previously outlined in your construction loan agreement, a rate lock conversion fee is required to secure your final interest rate for the permanent phase of your financing.

Conversion Terms:

- **Current Construction Rate:** [Insert %]
- **Locked Permanent Interest Rate:** [Insert %]
- **Lock Expiration Date:** [Insert Date]

Fee Breakdown:

- **Rate Lock Conversion Fee:** \$[Insert Amount]
- **Extension Fees (if applicable):** \$[Insert Amount]
- **Total Conversion Costs:** \$[Insert Total Amount]

Payment Instructions:

The total conversion cost must be paid in full by [Insert Due Date]. This fee can be paid via [Insert Payment Method, e.g., wire transfer, certified check, or deducted from final draw].

Important Notice:

Failure to pay the conversion fee by the specified date may result in the expiration of your locked interest rate. If the lock expires, your permanent interest rate will be subject to current market fluctuations at the time of final loan modification.

By signing below, you acknowledge receipt of this disclosure and agree to the terms of the rate lock conversion fee.

Borrower Signature

Co-Borrower Signature

Sincerely,

[Lender Name]

[Lender Title]

[Contact Information]