

Date: [Insert Date]

Borrower Name(s): [Insert Borrower Names]

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

Construction to Permanent Rate Lock Float Down Option

Dear [Borrower Name],

Congratulations on the progress of your new home construction. This letter serves to confirm the details regarding the "Float Down" option for your Construction to Permanent loan.

Your current interest rate is locked at: **[Insert Current Locked Rate]%**

Under the terms of your agreement, you have a one-time option to "float down" your interest rate if market rates decrease prior to the conversion of your loan to the permanent phase. The following conditions apply:

- **Eligibility:** The float down option can only be exercised within [Number] days of the final inspection or certificate of occupancy.
- **Market Comparison:** The new rate must be at least [Percentage, e.g., 0.25%] lower than your current locked rate based on our current market pricing for your specific loan program.
- **Float Down Fee:** A fee of [Amount or Percentage] may apply to execute this option.
- **Lock Period:** Once the float down is exercised, the new rate will be locked for [Number] days.

To request a float down, you must contact your Loan Officer in writing. Please note that market rates fluctuate daily, and the availability of a lower rate is not guaranteed until the float down is officially executed and confirmed by the lender.

If you have any questions regarding this process, please contact your Loan Officer at [Phone Number] or [Email Address].

Sincerely,

[Loan Officer Name]

[Lending Institution Name]

Acknowledgement:

I/We acknowledge receipt of this Float Down Option Letter and understand the terms and conditions set forth above.

Borrower Signature / Date

Co-Borrower Signature / Date