

Detailed construction financing approval

Subject: Construction-to-Permanent Loan Commitment

Dear [Borrower],

This letter confirms our commitment to provide construction financing for your residential building project located at [Property Address].

Construction Loan Terms:

- Total Commitment: \$[Amount]
- Construction Phase Rate: [Rate]%
- Permanent Loan Rate: [Rate]% (upon completion)
- Construction Period: [Months] months
- Draw Schedule: Progress-based inspections

Conditions precedent include approved building permits, contractor agreements, detailed construction budget, and builder's risk insurance. Funds will be disbursed in accordance with construction milestones as verified by our approved inspector.

Upon completion and occupancy, the construction loan will automatically convert to a permanent mortgage under the terms specified in your loan agreement.

Please review the attached conditions and contact us to proceed with documentation.

Respectfully,

[Construction Lending Department]

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