

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Regarding your application for a secured loan

Dear [Applicant Name],

Thank you for your interest in a secured loan with [Financial Institution Name]. We have carefully reviewed your application and the collateral offered.

Regrettably, we are unable to approve your request at this time. Our decision was based, in whole or in part, on information obtained through an alternative credit scoring system or a credit reporting agency.

**Reason(s) for Denial:**

- Insufficient credit history based on alternative data sources.
- Alternative credit score falls below the required threshold for this product.
- [Insert specific reason, e.g., History of delinquent utility or rental payments].

**Disclosure of Use of Credit Score:**

We used a credit score generated by an alternative reporting agency to evaluate your application. This score may differ from traditional FICO scores as it incorporates non-traditional data such as rent, utility payments, or banking cash flow.

- **Your Alternative Credit Score:** [Insert Score]
- **Date Score was Generated:** [Insert Date]
- **Range of Possible Scores:** Low: [Insert Min] to High: [Insert Max]

**Your Rights:**

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your report from the agency listed below if you request it within 60 days of receiving this notice. You also have the right to dispute the accuracy or completeness of any information in the report.

[Name of Alternative Credit Reporting Agency]

[Agency Address]

[Agency Phone Number]

[Agency Website]

Please note that the reporting agency played no part in our decision and is unable to provide you with the specific reasons why your application was denied.

Sincerely,

[Loan Officer Name/Department]

[Financial Institution Name]

Notice: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against applicants on the basis of race, color, religion, national origin, sex, marital status, age, or because all or part of the applicant's income derives from any public assistance program.