

[Date]

[Applicant Name]  
[Applicant Address]  
[City, State, Zip Code]

Subject: Regarding your Auto Loan Application #[Application Number]

Dear [Applicant Name],

Thank you for applying for an auto loan with [Lending Institution Name]. We have carefully reviewed your application and the details of the vehicle you intended to purchase.

Regrettably, we are unable to approve your loan request at this time. Our decision is based on the following reason(s) regarding the collateral:

- **Inadequate Collateral Value:** The estimated market value of the vehicle is lower than the requested loan amount.
- **Vehicle Eligibility:** The vehicle does not meet our internal guidelines regarding age, mileage, or condition.

Our credit decision was based on the specific collateral provided and does not necessarily reflect your personal creditworthiness. If you wish to proceed with a different vehicle that meets our collateral requirements, we would be happy to review a new application.

If you have any questions regarding this decision, please contact our loan department at [Phone Number] or via email at [Email Address].

Thank you for considering [Lending Institution Name] for your financing needs.

Sincerely,

[Name of Loan Officer/Department]  
[Lending Institution Name]