

[Company Name]
[Department Name]
[Address]
[City, State, Zip Code]

[Date]

[Borrower Name]
[Business Name]
[Address]
[City, State, Zip Code]

RE: Notice of Loan Application Denial - Collateral Deficiency

Dear [Borrower Name],

Thank you for your recent application for a commercial auto loan regarding the following vehicle(s): [Year, Make, Model, VIN].

After reviewing your application and the details of the proposed collateral, we regret to inform you that we are unable to approve your request at this time. Our decision is based on the following reason(s) related to the collateral:

- The appraised value of the vehicle(s) is insufficient to meet our required loan-to-value (LTV) ratio.
- The age or mileage of the vehicle(s) exceeds our maximum commercial lending standards.
- The vehicle type or condition does not meet our internal eligibility requirements for commercial security.

Because your application was denied based on the collateral provided, you may wish to reapply by providing a larger down payment or by proposing alternative collateral that meets our lending criteria.

If you have questions regarding the valuation or the specific findings of our assessment, please contact our commercial lending department at [Phone Number].

Sincerely,

[Name]
[Title]
[Company Name]