

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

**Subject: Notice of Credit Denial - Inadequate Collateral**

Dear [Applicant Name],

Thank you for your recent application for an auto loan. After carefully reviewing your request and the details of the proposed vehicle, we regret to inform you that we are unable to approve your loan at this time.

Our decision was based on the following reason(s) regarding the collateral:

- **Value of Collateral:** The market value of the vehicle is insufficient to secure the requested loan amount.
- **Age/Mileage of Vehicle:** The vehicle does not meet our age or mileage requirements for financing.
- **Condition of Vehicle:** The current condition or title status of the vehicle does not meet our lending standards.

If you find an alternative vehicle that meets our collateral requirements, we would be happy to review a new application from you.

**Notice Related to Credit Evaluation:**

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below:

[Name of Credit Bureau]

[Address of Credit Bureau]

[Phone Number of Credit Bureau]

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your credit report from the agency listed above 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.

Sincerely,

[Loan Officer Name/Department]

[Financial Institution Name]