

[Date]

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

**RE: Notice of Action Taken - Loan Application #[Application Number]**

Dear [Applicant Name],

Thank you for your recent application for a Home Equity Loan. We have carefully reviewed your request and the information provided regarding the property located at [Property Address].

Regrettably, we are unable to approve your request at this time for the following reason:

**Maximum Loan-to-Value (LTV) Ratio Exceeded**

Our lending policy requires that the total debt secured by the property (including your existing mortgage and the requested loan) does not exceed [Percentage]% of the property's appraised value. Based on an appraised value of \$[Appraised Value] and your current outstanding obligations, your current Loan-to-Value ratio is [Current LTV]%, which exceeds our maximum guidelines.

If you believe there are errors in the property valuation or if you have recently reduced your primary mortgage balance significantly, please provide supporting documentation for a secondary review.

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

[Credit Bureau Name]  
[Address]  
[Phone Number]

You have the right under the Fair Credit Reporting Act to obtain a free copy of your credit report from the agency 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.

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

Sincerely,

[Loan Officer Name]  
[Title]  
[Financial Institution Name]