

**Date:** [Insert Date]

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

**Subject: Notice of Action Taken Regarding Your HELOC Application**

Dear [Applicant Name],

Thank you for your recent application for a Home Equity Line of Credit (HELOC). We have completed the review of your request for a credit limit of \$[Requested Amount].

We regret to inform you that we are unable to approve your request as submitted. Our decision was based on the following reason(s):

- **Appraisal Deficit:** The appraised value of your property located at [Property Address] is insufficient to support the requested line of credit based on our required Loan-to-Value (LTV) ratios.

**Appraisal Information:**

The appraised value of your property was determined to be: \$[Appraised Value]. Based on this value and your existing mortgage balance, the maximum line of credit we can offer at this time is \$[Counter-offer Amount].

**Your Right to a Copy of the Appraisal:**

You have the right to a copy of the appraisal report used in connection with your application. If you have not already received a copy, please contact us at the number below and we will provide one to you promptly.

**Notice of Right to Receive Adverse Action Disclosure:**

If you have any questions regarding this notice, please contact us at:

[Financial Institution Name]  
[Department Name]  
[Phone Number]  
[Office Hours]

**Equal Credit Opportunity Act (ECOA) Notice:**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is [Insert Name and Address of Regulatory Agency].

Sincerely,

[Name of Loan Officer/Representative]

[Title]

[Financial Institution Name]