

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

Re: Loan Application Number: [Loan Number]

Dear [Applicant Name],

Thank you for your recent application for a secondary mortgage regarding the property located at [Property Address].

We regret to inform you that we are unable to approve your request for financing at this time. Our decision is based on the independent appraisal report received on [Date], which valued the property at \$[Appraised Value].

Based on our lending guidelines, the appraised value does not provide sufficient equity to support the requested loan amount. This results in a Loan-to-Value (LTV) ratio that exceeds our maximum requirements for a secondary mortgage.

Under the Equal Credit Opportunity Act, you have the right to a copy of the appraisal report used in connection with your application. A copy of this report is [enclosed / will be sent to you shortly].

If you believe there are factual errors in the appraisal report or if you would like to provide additional information for us to consider, please contact your loan officer.

Thank you for the opportunity to consider your application.

Sincerely,

[Loan Officer Name]
[Lending Institution Name]
[Phone Number]