

Date: [Date]

To:

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: NOTICE OF ADVERSE ACTION - CONSTRUCTION LOAN APPLICATION

Dear [Applicant Name],

Thank you for your recent application for a construction loan. After careful review of your application and the documentation provided regarding your proposed project, we regret to inform you that we are unable to approve your request at this time.

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

- **Ineligible Contractor Status:** Our lending policy requires that all construction work be performed by a contractor who is currently licensed and bonded in the jurisdiction where the work is to be performed.
- **Verification Failure:** We were unable to verify a valid professional contractor's license for [Contractor Name/Business Name] through the state licensing board.

As a regulated financial institution, we must ensure that all collateral is constructed by qualified professionals to protect both the borrower's and the lender's interests in the property. Because your chosen contractor does not meet our licensing requirements, the loan cannot be collateralized under our current guidelines.

If you are able to secure a bid from a fully licensed and insured contractor, we would be happy to re-evaluate your application. Please note that a new credit report may be required depending on the time elapsed since your initial filing.

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 [Federal Agency Name and Address].

If you have any questions regarding this notice, please contact us at [Phone Number].

Sincerely,

[Loan Officer Name]

[Financial Institution Name]

[Address]