

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Re: Construction Loan Application for [Property Address/Project Name]

Dear [Applicant Name],

Thank you for your recent application for a construction loan with [Lending Institution Name]. We have completed the initial review of your request.

We regret to inform you that we are unable to approve your loan application at this time. This decision is based on the results of our mandatory background and due diligence review of your proposed builder, [Builder/Company Name].

Our internal guidelines require that all participating builders meet specific criteria regarding professional history, creditworthiness, and operational stability. Unfortunately, the background check for [Builder/Company Name] returned unsatisfactory results in the following area(s):

- [Insert specific reason, e.g., Insufficient professional references]
- [Insert specific reason, e.g., Unsatisfactory business credit report]
- [Insert specific reason, e.g., Legal or licensing irregularities]

Please note that this denial is specific to the selected builder and is not a reflection of your personal creditworthiness or financial standing. Should you choose to move forward with a different licensed and insured contractor, we would be happy to re-evaluate your loan application.

If you have any questions regarding this notification, please contact your loan officer at [Phone Number].

Sincerely,

[Name of Loan Officer/Underwriter]

[Title]

[Lending Institution Name]