

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

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

Dear [Applicant Name],

Thank you for your recent application for a mortgage refinance regarding the property located at [Property Address]. After careful review of your application, we regret to inform you that we are unable to approve your request at this time.

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

- **Insufficient Collateral Value:** An appraisal of the property indicates that the current market value is less than the outstanding principal balance of your existing mortgage (Negative Equity/Underwater status).
- **Loan-to-Value (LTV) Ratio:** The current LTV ratio exceeds the maximum limit required by our lending guidelines for this program.

**Disclosure of Use of Information Obtained from an Outside Source:**

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

[Name of Credit Bureau]

[Address of Credit Bureau]

[Phone Number of Credit Bureau]

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your credit report from that agency if you request it within 60 days of receipt of this notice. You also have the right to dispute the accuracy or completeness of any information in the report. Please note that the reporting agency played no part in our decision and is unable to supply specific reasons why we have denied your credit.

**Property Valuation Notice:**

You have the right to a copy of the appraisal report or valuation used in connection with your application. If you have not already received a copy, please contact us at the number below to request one.

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

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

Sincerely,

[Name of Authorized Representative]  
[Title]  
[Lending Institution Name]

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**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; 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 [Name of Regulatory Agency, Address].