

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

Subject: Notice of Float-Down Option Denial

Dear [Applicant Name],

Thank you for choosing [Lender Name] for your mortgage financing. We are writing to formally notify you regarding your request to exercise the "float-down" option on your locked interest rate for Loan Application #[Loan Number].

After reviewing your updated credit profile, we regret to inform you that we are unable to approve your float-down request. The denial is based on the following:

Reason for Denial: Reduction in Credit Score.

Per the terms of your Rate Lock Agreement, eligibility for a market rate float-down is contingent upon maintaining the credit qualifications present at the time of the initial lock. A recent review of your credit report shows that your credit score has decreased below the minimum threshold required to qualify for the current lower market pricing.

Please note that your original locked interest rate of [Original Rate]% remains valid and will continue to be honored provided your loan closes prior to the lock expiration date of [Expiration Date].

If you believe there are errors in your credit report, you may contact the credit bureau(s) listed below to obtain a free copy of your report:

[Credit Bureau Name]
[Contact Information/Website]

If you have any questions regarding this decision, please contact your Loan Officer at [Phone Number] or [Email Address].

Sincerely,

[Name of Sender]
[Title]
[Lender Name]