

[Company Name]
[Company Address]
[City, State, Zip Code]
[Phone Number]

[Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

RE: Notice of Rate Lock Conversion Denial
Loan Number: [Loan Number]
Property Address: [Property Address]

Dear [Borrower Name],

Thank you for your recent request to convert your construction loan to a permanent mortgage phase and lock in your interest rate. After reviewing your file and the current status of your project, we are unable to approve your rate lock conversion request at this time.

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

- Construction is not yet substantially complete or within the required percentage of completion.
- Final Certificate of Occupancy has not been issued/received.
- Expiration of the original commitment period.
- Changes in creditworthiness or financial standing since initial approval.
- Property appraisal update does not meet loan-to-value requirements.
- Other: [Specific Reason]

Because your request has been denied, your loan will remain in the construction phase under the existing terms. You may re-apply for conversion once the outstanding requirements listed above have been satisfied.

Please note that interest rates are subject to market fluctuations. The rate previously discussed or quoted is no longer guaranteed and your permanent rate will be determined based on the market conditions at the time of a future successful lock.

If you have any questions regarding this notice or the steps needed to move forward, please contact your Loan Officer, [Officer Name], at [Phone Number] or [Email].

Sincerely,

[Name/Signature]

[Title]

[Company Name]