

Date: [Date]

Applicant Name: [Applicant Name]

Address: [Applicant Address]

City, State, Zip: [City, State, Zip]

Property Address: [Subject Property Address]

Subject: Notice of Adverse Action - Appraisal Shortfall

Dear [Applicant Name],

Thank you for your recent application for a mortgage loan. We regret to inform you that we are unable to approve your request for the specific terms requested at this time. This decision was based on the following factor(s):

- **Collateral:** The appraised value of the property is insufficient to support the requested loan amount or Loan-to-Value (LTV) ratio required by our lending guidelines.

Description of the Appraisal:

- **Requested Loan Amount:** \$[Amount]
- **Sales Price / Estimated Value:** \$[Amount]
- **Appraised Value:** \$[Amount]

You have a right under the Equal Credit Opportunity Act to a copy of the appraisal report used in connection with your application. If you have not already received a copy, please contact us at the address listed below.

Disclosure of Use of Information Obtained from an Outside Source:

Our decision was based in whole or in part on information obtained from an outside source other than a consumer reporting agency. You have a right to make a written request within 60 days of receiving this notice for a disclosure of the nature of this information.

Federal Equal Credit Opportunity Act 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 [Name and Address of Relevant Regulatory Agency].

If you have any questions regarding this notice, please contact us.

Sincerely,

[Name of Loan Officer/Underwriter]

[Lending Institution Name]

[Lending Institution Address]

[Phone Number]