

[Date]

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

Re: Loan Application Number: [Loan Number]

Dear [Applicant Name],

Thank you for choosing [Lending Institution Name] for your home financing needs. We have completed the review of your mortgage application for the property located at:

[Property Address]

Regrettably, we are unable to approve your loan request at this time. Our decision is based on the following reason:

Insufficient Collateral Value: The independent appraisal report for the subject property indicates a fair market value that is lower than the purchase price or the amount required to maintain the necessary loan-to-value ratio for this program.

The property was appraised at \$[Appraised Value] on [Date of Appraisal]. Based on our lending guidelines, we cannot provide financing for the requested loan amount of \$[Requested Loan Amount].

Under the Equal Credit Opportunity Act, you have the right to receive a copy of the appraisal report. We have enclosed a copy of this report for your records. If you believe there are factual errors in the appraisal or have additional comparable sales data for the appraiser to consider, please contact your loan officer.

If you have any questions regarding this notice, please contact us at [Phone Number].

Sincerely,

[Sender Name]
[Title]
[Lending Institution Name]