

**Date:** [Date]

**Applicant Name:** [Applicant Name]

**Address:** [Applicant Address]

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

**Subject: Notice of Adverse Action Regarding Loan Application #[Loan Number]**

Dear [Applicant Name],

Thank you for your recent application for a [Type of Loan, e.g., Mortgage]. After carefully reviewing your application and the supporting documentation, we regret to inform you that we are unable to approve your request at this time for the following reason(s):

- **Insufficient Appraisal Value:** The appraised value of the property located at [Property Address] is insufficient to support the requested loan amount based on our required loan-to-value (LTV) ratios.

Our credit decision was based in whole or in part on information contained in an appraisal report. You have the right to receive a copy of this appraisal report. If you have not already received a copy, please contact us at the address provided below.

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

Our decision was also based in whole or in part on information obtained in a report from a consumer reporting agency. The reporting agency did not make the decision to deny your application and is unable to provide you with the specific reasons why the credit was denied.

**Consumer Reporting Agency:** [Agency Name]

**Address:** [Agency Address]

**Telephone:** [Agency Phone Number]

You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. You also have a right to a free copy of your report from that agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency.

**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 (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 Regulator].

Sincerely,

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