

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

RE: Loan Application for [Property Address]

Dear [Applicant Name],

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

Regrettably, we are unable to approve your loan request at this time for the following reason:

Appraisal Deficit: The professional appraisal report dated [Date of Appraisal] valued the property at \$[Appraised Value], which is lower than the purchase price of \$[Purchase Price]. Based on our current loan-to-value (LTV) requirements, the collateral value is insufficient to support the requested loan amount.

Our decision was based in whole or in part on information contained in an appraisal report. Under the Equal Credit Opportunity Act, you have the right to a copy of this appraisal report. We have enclosed a copy for your records.

If you have any questions regarding this decision or wish to discuss potential options-such as a larger down payment or a renegotiated purchase price-please contact your Loan Officer, [Officer Name], at [Phone Number].

Sincerely,

[Sender Name/Signature]

[Title]

[Lending Institution Name]

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, or because all or part of the applicant's income derives from any public assistance program.