

[Date]

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

Dear [Applicant Name],

Thank you for your recent application for [Type of Loan/Credit]. After careful consideration of your request, we regret to inform you that we are unable to approve your application at this time for the following reason(s):

- **Collateral Deficiency:** The value or condition of the collateral offered is insufficient to secure the requested loan amount.
- [Optional: Specific detail, e.g., Appraisal value lower than required loan-to-value ratio].

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below:

[Name of Credit Bureau]
[Address]
[Toll-free Telephone Number]

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your credit report from that agency if you request it no later than 60 days after you receive this notice. You also have the right to dispute the accuracy or completeness of any information in the report by contacting the consumer reporting agency directly.

Please note that the reporting agency played no part in our decision and is unable to supply specific reasons why we have denied your credit request.

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.

Sincerely,

[Name of Loan Officer/Department]
[Financial Institution Name]