

[Date]

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

Subject: Notice of Action Taken on Your Loan Application

Dear [Applicant Name],

Thank you for your recent application for a loan in the amount of \$[Requested Amount]. After a careful review of your application, we regret to inform you that we are unable to approve your request for the full amount requested.

However, we are pleased to offer you a counteroffer for a loan in the amount of \$[Counteroffer Amount] under the following terms: [Insert Terms/Interest Rate].

If you choose not to accept this counteroffer by [Expiration Date], your application will be considered withdrawn or denied. Our decision was based on the following reason(s):

- [Reason 1: e.g., Insufficient income for amount requested]
- [Reason 2: e.g., High debt-to-income ratio]
- [Reason 3: e.g., Limited credit history]

Disclosure of Use of Information Obtained from an Outside Source

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

[Consumer Reporting Agency Name]
[Address]
[Toll-free Telephone Number]

The reporting agency played no part in our decision and is unable to supply specific reasons why we are unable to grant the full credit amount. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency and to dispute the accuracy or completeness of any information in the report.

You may obtain a free copy of your credit report from the agency listed above if you request it no later than 60 days after you receive this notice.

Sincerely,

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