

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Notice of Adverse Action Regarding Your Credit Application

Dear [Applicant Name],

Thank you for your recent application for credit. After carefully reviewing your request, we regret to inform you that we are unable to approve your application on the original terms requested.

On [Date of Counteroffer], we provided you with a counteroffer requiring a down payment of \$[Amount]. This counteroffer was based on our evaluation of your creditworthiness and internal lending criteria. Because you have chosen not to accept this counteroffer or provide the required down payment, we are formally withdrawing our offer of credit.

Our decision was based in whole or in part on the following reason(s):

- Insufficient cash for the required down payment.
- Failure to meet specific counteroffer terms.
- [Insert Additional Reason if applicable, e.g., Credit history, Debt-to-income ratio].

#### **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. The reporting agency played no part in our decision and is unable to supply specific reasons why we are unable to extend credit to you.

[Name of Credit Reporting Agency]

[Address]

[Toll-free Telephone 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 you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency.

#### **Equal Credit Opportunity Act 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 Relevant Regulatory Agency].

Sincerely,

[Your Name/Company Name]

[Title]

[Contact Information]