

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Notice of Action Taken on Mortgage Loan Application

Dear [Applicant Name],

Thank you for your recent application for a mortgage loan. We have carefully reviewed your request for a [Original Loan Amount] loan for the property located at [Property Address].

We were unable to approve your application as originally requested. However, on [Date of Counteroffer], we offered you a loan with the following modified terms: [Description of Counteroffer Terms, e.g., higher interest rate, lower loan amount, or increased down payment].

As of [Today's Date], we have not received your acceptance of this counteroffer. Therefore, we are formally notifying you that your application has been denied for the following reason(s):

- You did not accept the counteroffer provided by this institution.
- [Insert specific credit or underwriting reason if applicable, e.g., Insufficient collateral value].

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:

[Name of Credit Bureau]

[Address of Credit Bureau]

[Telephone Number of Credit Bureau]

Under the Fair Credit Reporting Act, you have the right to know the information contained in your credit file at the consumer reporting agency. You also have the right to a free copy of your report from the agency if you request it no later than 60 days after you receive this notice. If you find that any information 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 Relevant Regulatory Agency].

Sincerely,

[Loan Officer Name]

[Financial Institution Name]