

Date: [Date]

Applicant Name: [Applicant Name]

Co-Applicant Name: [Co-Applicant Name (if applicable)]

Address: [Applicant Address]

City, State, Zip: [City, State, Zip]

Subject: Notice of Action Taken on Residential Mortgage Application

Dear [Applicant Name],

Thank you for your recent application for a residential mortgage loan. On [Date of Counteroffer], we offered you a counteroffer for credit under the following terms: [Briefly describe counteroffer terms, e.g., higher interest rate, larger down payment, or different loan product].

As of [Date], you have not accepted this counteroffer. Accordingly, we are unable to approve your original request for a mortgage loan. Our decision was based on the following reason(s):

- [Reason 1, e.g., Insufficient income for mortgage amount requested]
- [Reason 2, e.g., Value or type of collateral not sufficient]
- [Reason 3, e.g., Credit obligations too high relative to income]

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. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency.

[Consumer Reporting Agency Name]

[Address]

[Phone Number]

Your Right to a Free Copy of Your Report:

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your report from the consumer reporting 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 a consumer report furnished by the consumer 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:

[Insert Regulatory Agency Name and Address]

Sincerely,

[Loan Officer Name/Department]

[Lending Institution Name]

[Phone Number]