

**Date:** [Date]

**Applicant Name:** [Applicant Name]

**Address:** [Applicant Address]

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

**Subject: Notice of Adverse Action Regarding Loan Counteroffer**

Dear [Applicant Name],

Thank you for your recent application for a loan in the amount of \$[Requested Amount]. On [Date of Counteroffer], we provided you with a counteroffer for a loan with the following terms: [Briefly describe counteroffer terms, e.g., lower amount, higher rate, or collateral requirement].

As of today, we have not received your acceptance of this counteroffer, or the time period for acceptance has expired. Therefore, we are unable to proceed with your original request. This letter serves as formal notice that your application for the original terms requested has been denied for the following reason(s):

- [Reason 1: e.g., Credit score below policy requirements]
- [Reason 2: e.g., Insufficient income for requested loan amount]
- [Reason 3: e.g., Value or type of collateral not sufficient]

**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]

[Phone Number of Credit Bureau]

Under the Fair Credit Reporting Act, you have the right to obtain a free copy of your consumer report from that agency if you request it within 60 days of receipt of this notice. You also have the right to dispute the accuracy or completeness of any information in the report. Please note that 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.

**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; 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 Regulatory Agency].

Sincerely,

[Name of Financial Institution]

[Department Name]

[Contact Phone Number]