

**Date:** [Date]

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

**Subject: Notice of Adverse Action Regarding Your Loan Application**

Dear [Applicant Name],

Thank you for your recent application for [Type of Loan]. We have carefully reviewed your request. While we were unable to approve your application for the specific interest rate you requested, we previously provided you with a counteroffer for credit at an interest rate of [Offered Rate]%.

Because you have not accepted this counteroffer within the required timeframe, we are formally notifying you that we cannot proceed with your original request. This decision was based on the following reason(s):

- [Reason 1: e.g., Credit score below minimum requirement for requested rate]
- [Reason 2: e.g., Insufficient collateral value]
- [Reason 3: e.g., Debt-to-income ratio]

**Disclosure of Use of Information Obtained from an Outside Source**

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

[Consumer Reporting Agency Name]  
[Agency Address]  
[Agency Phone Number]

Please note that the consumer reporting agency played no part in our decision and is unable to supply specific reasons why we are unable to extend credit at the requested rate. 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 of Regulatory Agency, Address, City, State, Zip].

Sincerely,

[Your Name/Name of Institution]

[Department Name]

[Contact Information]