

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Notice of Denial for Release of Collateral - [Property Address/Account Number]

Dear [Borrower Name],

We have received and reviewed your formal request dated [Date] regarding the release of the property located at [Property Address] from the cross-collateralization agreement associated with your loan accounts.

After a thorough evaluation of your account status and current collateral position, we regret to inform you that your request for release has been denied at this time.

This decision was based on the following factor(s):

- [Reason 1: e.g., Insufficient Loan-to-Value (LTV) ratio across remaining assets]
- [Reason 2: e.g., Current delinquency or payment history issues]
- [Reason 3: e.g., Failure to meet minimum debt service coverage requirements]

Per the terms of your Loan Agreement dated [Date of Agreement], the property in question serves as security for multiple obligations. Our current assessment indicates that the remaining collateral would be insufficient to adequately secure the outstanding debt should this property be released.

We are willing to re-evaluate this request in the future if there is a significant reduction in the principal balance or if additional appraisal data provides a higher valuation of the remaining collateral.

If you have any questions regarding this decision, please contact [Department Name/Contact Person] at [Phone Number] or [Email Address].

Sincerely,

[Name of Officer]

[Title]

[Financial Institution Name]