

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Notice of Denial for Construction Draw Request #[Number]

Dear [Borrower Name],

We are writing to inform you that your recent request for a construction draw in the amount of \$[Amount], submitted on [Date], has been denied at this time.

The decision to withhold the release of funds is based on the following reason(s):

- [Line Item/Work Description] has not reached the required percentage of completion.
- The independent inspector's report indicates that the work performed does not meet the approved project specifications.
- Missing documentation: [List missing invoices, lien waivers, or permits].
- Discrepancies found between the requested amount and the remaining budget for [Specific Category].
- Failure to provide proof of required insurance renewals.

In order to process this draw request, the following actions must be taken:

[List specific corrective actions needed]

Once these requirements have been met, please contact [Contact Person/Department Name] at [Phone Number/Email] to schedule a re-inspection or to submit the necessary documentation. We will resume the disbursement process once all conditions of the construction loan agreement are satisfied.

Sincerely,

[Your Name/Signature]

[Your Title]

[Lending Institution Name]