

A **mortgage loan rejection letter example** typically outlines the specific reasons for the denial of a loan application, helping applicants understand the causes such as insufficient credit score, inadequate income, high debt-to-income ratio, incomplete documentation, or property appraisal issues. This document is crucial for transparency, allowing borrowers to address these concerns in future applications and improve their chances of approval.

Mortgage Loan Rejection Letter Example

Date: June 14, 2024

Applicant Name:
123 Main Street
Anytown, ST 12345

Dear [Applicant Name],

Thank you for your recent application for a mortgage loan with [Lender Name]. After careful review of your application and supporting documents, we regret to inform you that we are unable to approve your request for a mortgage loan at this time.

Reasons for Loan Denial

1. **Insufficient Credit Score:** Your current credit score does not meet the minimum requirement for our loan programs.
2. **Inadequate Income:** The income provided is insufficient to qualify for the requested loan amount.
3. **High Debt-to-Income Ratio:** Your existing debts in relation to your income exceed our acceptable limits.
4. **Incomplete Documentation:** Some required documents were missing or incomplete, preventing us from fully evaluating your application.
5. **Property Appraisal Issues:** The appraised value of the property was lower than expected, which affects your loan eligibility.

If you have any questions regarding your application or the reasons listed above, please contact us at [Lender Phone Number] or [Lender Email Address]. You are entitled to request a free copy of your credit report within 60 days, as provided under the Fair Credit Reporting Act.

We appreciate your interest in [Lender Name] and encourage you to apply again in the future should your circumstances change.

Sincerely,
[Loan Officer Name]
[Title]
[Lender Name]