

Date: [Insert Date]

[Your Name]

[Your Address]

[City, State, Zip Code]

[Recipient Name]

[Recipient Position]

[Lending Institution Name]

[Lending Institution Address]

[City, State, Zip Code]

Dear [Recipient Name],

Thank you for your recent application for a loan with [Lending Institution Name]. We appreciate your interest in our services and the time you took to submit your application.

After careful consideration, we regret to inform you that your loan application has been declined due to credit issues noted in your credit report. Specifically, the following factors contributed to our decision:

- Outstanding debts that exceed your current income level.
- Recent late payments on existing credit accounts.
- High credit utilization ratio above the recommended threshold.

While we are unable to approve your loan at this time, we encourage you to review your credit report and take steps towards improving your credit standing. Once your financial situation has improved, we welcome you to reapply for a loan with us.

Thank you for considering [Lending Institution Name]. If you have any questions or would like further clarification regarding this decision, please feel free to contact us at [Contact Information].

Sincerely,

[Your Name]

[Your Position]

[Lending Institution Name]