

Small Business Loan Denial - Formal

Subject: Business Loan Application Status - [Application Reference]

Dear [Business Owner Name],

We acknowledge receipt of your business loan application dated [Date] for [Amount] to support [Business Purpose]. After comprehensive evaluation by our underwriting team, we must respectfully decline your loan request.

Our decision was primarily influenced by the following factors: insufficient cash flow documentation, limited business operating history, and current market conditions affecting your industry sector. Additionally, the requested loan amount exceeded our risk tolerance given the provided collateral valuation.

We understand this decision may be disappointing, and we encourage you to address these areas and consider reapplying once your business demonstrates stronger financial stability. Our business advisory team is available to discuss potential improvements to strengthen future applications.

We value your business relationship and appreciate your interest in our lending services.

Respectfully,

[Senior Loan Officer]

[Institution Name]

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