



Denial/Withdrawn Reason Form

Loan #: _____ Borrower Last Name: _____

LO: _____ Date of withdrawal/denial: _____

Is this a ☐ Withdrawal or ☐ Denial ?

If withdrawal, what is the reason: _____

Please upload supporting documentation, as needed.

If the file is a Prequal, you may not withdraw this file!

Denials must have a reason checked below. Please mark all that apply:

- ☐ Incomplete credit application ☐ Insufficient number of credit references
- ☐ Unacceptable type of credit references provided ☐ Unable to verify credit references
- ☐ Temporary or irregular employment ☐ Unable to verify employment ☐ Length of employment
- ☐ Income insufficient for amount of credit requested (ratios) ☐ Length of residence
- ☐ Excessive obligations in relation to income ☐ Unable to verify income
- ☐ Collection action or Judgement ☐ No Credit File ☐ Limited credit experience
- ☐ Poor credit performance with us ☐ Delinquent past or present credit obligations with others
- ☐ Garnishment or attachment ☐ Foreclosure of repossession ☐ Bankruptcy
- ☐ Number of recent inquiries on credit report ☐ Value or type of collateral not sufficient
- ☐ Other: _____

Upload this page to the file and

If the file has been underwritten...	If the file has not been underwritten....
Move all PTC and Compliance conditions to recycle bin	Move any documents not sorted to recycle bin. 1003 should be complete!
Upload denial form and supporting documentation to Prior to Conditions	Upload any supporting documentation for the reason. Make sure Credit and AUS are uploaded
Final the file back for underwriting to complete the denial!	Upload the denial form and email denials@flanaganstatebank.com

Denial form and supporting documentation should be uploaded in Imageflow to "Loan Officer Denial Information Folder"

Definitions of Reasons

- **Credit application incomplete.** This reason should be used when a creditor denies an application due to incompleteness. This reason should not be used if a creditor provides a notice of incomplete application in accordance with Regulation B (as this would not be a denial requiring an adverse action notice).
- **Insufficient number of credit references provided.** This reason should be used when a creditor has requested credit references beyond the history found in a credit report (such as when the applicant does not have an established credit file or credit score), and the applicant was not able to supply sufficient credit references according to the financial institutions defined standards (such as a minimum number of credit references).
- **Unacceptable type of credit references provided.** This reason should be used when a creditor has requested credit references beyond the history found in a credit report (such as when the applicant does not have an established credit file or credit score), and the applicant provided credit references that were not acceptable according to the financial institutions defined standards.
- **Unable to verify credit references.** This reason should be used when a creditor has requested credit references beyond the history found in a credit report (such as when the applicant does not have an established credit file or credit score), and the creditor is unable to verify the references provided by the applicant. The denied file should document the creditor's attempts to verify credit references.
- **Temporary or irregular employment.** This reason should be used only if the financial institution has a defined policy regarding acceptable temporary or irregular employment, and the borrower's employment history does not meet the definition of acceptable temporary or irregular employment.
- **Unable to verify employment.** This reason should be used when a creditor regularly verifies employment and is unable to verify the employment of an applicant after a verification attempt was made. The denied file should document the creditor's attempts to verify employment.
- **Length of employment.** This reason should only be used when a creditor has a defined minimum length of employment and the applicant's length of employment does not meet the minimum length. The denied file should document the applicant's length of employment and the bank's established minimum length of employment.
- **Income insufficient for amount of credit requested.** This reason should be used when an applicant's proposed debt-to-income ratio exceeds the financial institution's maximum DTI ratio *after* the proposed payment is added into the DTI calculation. A corresponding DTI should be retained in the denied file.
- **Excessive obligations in relation to income.** This reason should be used when an applicant's current debt-to-income ratio exceeds the financial institution's maximum DTI ratio *before* the proposed payment is added into the DTI calculation. A corresponding DTI should be retained in the denied file.
- **Unable to verify income.** This adverse action reason should only be used when a financial institution makes an attempt to verify the income of the applicant but is unable to do so. The denied file should document the attempts that were made to verify income.
- **Length of residence.** This reason should be used when the applicant's length of residence does not comply with the financial institution's established minimum length of residence. (Note: this reason should only be used if a bank has a consistently applied minimum length of residence and the borrower does not meet the minimum requirements.)
- **Temporary residence.** This reason should be used when a creditor knows that the current residence of the applicant is not a permanent residence.
- **Unable to verify residence.** This reason should be used when a creditor has attempted, but is unable to verify the residence of the applicant. The denied file should document the creditor's attempts to verify residency.
- **No credit file.** This reason should be used when a creditor requests a credit report on an applicant, but the applicant does not have (or the creditor is unable to locate) an established credit file.
- **Limited credit experience.** This reason should be used when an applicant has a credit history/credit report but lacks a sufficient number of tradelines to satisfy the bank's standards. This reason can be used when reviewing either a credit report or credit references provided by the applicant.
- **Poor credit performance with us.** This reason should be used when the applicant has a history of poor credit performance with our financial institution. The denied file should provide evidence of late payments with us and other evidence of poor credit performance with us (such as charge offs).

- **Delinquent past or present credit obligations with others.** This reason should be used when the credit report reflects late payments to creditors other than our financial institution and those delinquencies do not satisfy our credit standards.
- **Collection action or judgment.** This reason should be used only when the credit report indicates a collection action or judgment that does not satisfy our credit standards.
- **Garnishment or attachment.** This reason should only be used when the credit report indicates a garnishment or attachment that does not satisfy our credit standards.
- **Foreclosure or repossession.** This reason should only be used when the credit report indicates a foreclosure or repossession that does not satisfy our credit standards.
- **Bankruptcy.** This reason should be used when the credit report reflects a bankruptcy that does not satisfy our credit standards.
- **Number of recent inquiries on credit bureau report.** This reason should only be used when the number of recent credit inquiries exceeds the financial institution's established maximum number of credit inquiries.
- **Value or type of collateral not sufficient.** This reason should be used when the collateral does not meet underwriting standards, such as when an appraised value comes back lower than expected.
- **Other, specify: ____.** This reason should generally not be utilized but can be used only with the approval of the Sr. Lender or used only when the financial institution has an approved list of "other" reasons and the applicable reason is found on that list.