Adverse action notices

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Reader group: Lending
In a live knowledge base, only signed-in loan officers and processors would see this page. It's public in this demo so you can explore.

Under Regulation B, when we decline an application, or approve it on different terms the member doesn't accept, we must notify them in writing.

Timing

Situation	Notify within
Completed application, declined	30 days
Counteroffer the member doesn't accept	90 days
Incomplete application	30 days: decide, or send a notice listing what's missing
Adverse action on an existing account	30 days

What the notice includes

- The action we took
- Featherstone's name and address
- The Equal Credit Opportunity Act notice
- The name and address of our federal regulator
- The specific principal reasons, or the member's right to request them within 60 days
- Credit score disclosures, when a score was used

Reasons must be specific, like "Insufficient income for amount requested." "Did not meet our internal standards" is not acceptable. List no more than four reasons.

The loan system generates the notice. Review it before sending, and save a copy to the application file.