

Adverse Action Notifications Explanation of Forms

The attached forms are based on the adverse action notification requirements as laid out in the Equal Credit Opportunity Act and the Fair Credit Reporting Act. The following explains the proper form to use depending upon the circumstances. Please review to ensure you are using the correct form.

Credit Denial and no Counteroffer:

Use **Forms 1-5** if you have completely denied a credit application and do not wish to offer credit on alternate terms.

- If your decision to deny the application was not based on information obtained from a third party (i.e. a credit reporting agency or an affiliate), use **Form 1** or **Form 2** depending on the following:
 - Use **Form 1** if you wish to offer a statement of reasons for the decision at this time.
 - Use **Form 2** if you do not wish to offer a statement of reasons at this time, but will do so if timely requested.
- If your decision to deny the application was influenced by information in a credit report obtained from a credit reporting agency, use **Form 3** or **Form 5**, depending on the following:
 - Use **Form 3** if you wish to offer a statement of reasons for the decision at this time.
 - Use **Form 5** if you do not wish to offer a statement of reasons at this time, but will do so if timely requested.
- If your decision to deny the application was influenced by a third party other than a credit reporting agency (i.e. an affiliate), use **Form 4**. Note that the applicant has the right to request the nature of the information obtained from the third party.

Credit Denial and Counteroffer:

Use **Form 6** or **Form 7** if you have denied a credit application on the terms requested, but are willing to offer credit on alternate terms (make a counteroffer), depending on the following.

- If your decision to deny the application on the original terms and make a counteroffer was not based on information obtained from a third party (i.e. a credit reporting agency or an affiliate), use **Form 6**.

- If your decision to deny the application on the original terms and make a counteroffer was based on information in a credit report obtained from a credit reporting agency, use **Form 7**.

Response to a Request for a Statement of Reasons for a Denial:

If you initially used Form 2 or Form 5 to deny an application, and the applicant then requests a statement of specific reasons as to why their application was denied, use **Form 8** or **Form 9** to respond, depending on the following.

- If the applicants request was timely (within 60 days from the date of the adverse action notification), use **Form 8**.
- If the applicant's request was not timely (over 60 days from the date of the adverse action notification), use **Form 9**.