

Specify the business problem

Identifying the root cause of the rejection can help in nipping the problem in the bud increasing the chances of your application being approved in the future. In addition to helping your loan is approved, it can help in improving your financial situation in the long run. Loan providers are required to notify the applicant about the reason for rejection. The various reasons that could lead to your application being rejected include:

Low credit score.

Inaccurate information provided to the lender.

Mistakes made in the application form

Requested a higher loan amount that doesn't match your eligibility

Failure to submit the documents required for the approval of the loan etc.

Apart from these, some other reasons which are entirely dependent on the lender's policy may also have acted against your favor. For instance:

The lender may not have a branch in the city you reside in.

The lender may not be currently providing loans to applicants receiving a cash salary.

Some lenders also do not prefer lending to people who have less than 6 months of work experience at their current jobs

Some lenders don't prefer lending to applicants who may have switched jobs too often having spent less than a year at each

Some lenders refrain from approving applications from candidates who have never taken a loan before and therefore have no credit history, etc.