



The Definitive Guide to

Construction Loan Draw Packages

A shared framework for lenders and developers — defining what "lender-ready" means, what every draw package must include, and how clean information keeps construction capital moving.

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Why This Standard Exists

Ask any lender what slows them down and you'll hear the same answer: the draw package. Ask any developer and they'll say the same thing right back. When submissions are incomplete and requirements unclear, funding slows, audit risk climbs, and the relationship holding every project together starts to fray. It's been this way for decades. It doesn't have to be.

Rabbet sits between both sides of construction finance — the ecosystem of financial processes, documentation, and relationships that govern how capital flows through a construction project, from loan origination through final disbursement. It spans lender administration, developer draw management, and contractor payment: the full chain of activity that determines when and how projects get funded.

We see where packages break down — the missing subcontractor backup, the sworn statement that doesn't tie to the pay app, the cover letter signed before the amounts were finalized. This guide captures what we've learned from real draws, real lenders, and real developers to define what a complete, consistent, lender-ready package looks like.



This standard is a shared starting point — a universal base layer that works across most commercial construction loan types, with clearly marked conditional requirements for specific deal structures.

9 in 10
Draws require lender follow-up before approval

1 in 3
Draw packages are rejected and need to be resubmitted

75%
Of developers willing to adopt a required standard format

#1
Developer pain point: customizing packages for each lender

The Problem

Why Draw Packages Fail

No universal industry standard for construction draw packages exists today — but there is strong consensus on what a complete, lender-ready package should contain. This gap creates real friction: lenders report following up on 9 out of 10 draw submissions, and developers spend significant time every month customizing packages for each capital partner.

The core documents are remarkably consistent across the industry. What varies is everything around them — formatting, thresholds, ordering, and supplemental requirements that shift by lender, loan type, and sometimes by the third-party inspector on a given project. Solving the formatting and ordering problem would eliminate the majority of rework without changing what anyone actually submits.

What the Research Found

Developer Survey

How **developers experience** draw preparation today

#1



Top time cost: formatting for each lender.

The most time-consuming draw prep task was not math or document assembly — it was customizing packages to match the specific, varying requirements of each lender and equity partner.

75%



Would adopt a required standard format.

Would adopt a required standard format. Nearly three-quarters of developer respondents said they would feel "positive" or "very positive" if their primary lender required a single standard format across all draws.

3+



Active projects managed simultaneously (typical)

Most developers juggle 3 or more active construction loans at once — meaning inconsistent requirements multiply the burden with every new lender relationship.



"The hardest part of the job relates to the specific and varying requirements from each lender and equity partner. If there were one format we could rely on, it would change how we staff and schedule draw prep entirely."

Developer respondent
multifamily portfolio

Lender Survey

How lenders experience draw review today

9-10



Follow-up frequency (out of 10)

Lenders rated how often they must chase documentation before approving a draw. Most common answer: "9 or 10" – meaning virtually every draw requires outreach.

#1



Top slowdown: incomplete packages

Missing sub backup, absent sub pay apps, and missing sub-tier lien waivers were cited by all lender respondents as the single biggest source of review friction.

#2



Inconsistent dollar amounts across documents

Inconsistent dollar amounts across documents. Discrepancies between the draw summary or sworn statement, payout amounts, and lien waivers force manual tie-out investigation on nearly every draw.

100%



Agree standardization would save time

Every lender surveyed indicated a validated, standardized draw submission would meaningfully reduce follow-up and rework for their team.

“

The cleanest packages have a table of contents, all lien waivers organized by tier, and a sworn statement that ties exactly to the GC pay app. When those three things are right, review takes a fraction of the time.”

Lender respondent
bank construction portfolio

Top 5 Reasons
Draws Are Sent
Back

1

Missing or incomplete lien waivers

2

Dollar amounts don't reconcile across documents

3

Missing subcontractor backup documentation

4

Cover letter signed before final amounts confirmed

5

Expired or missing certificates of insurance

Practitioner Interview Findings



The Dual Budget Problem

Most projects carry two budgets — a project budget (owner's view) and a loan budget (lender's view). Reconciling both on the Draw Summary is essential; mismatches are a top rejection trigger that no one talks about openly.



50–75% Error Reduction

Practitioners estimate this reduction in draw processing errors when a standardized framework is in place.



Inspector Determines Difficulty

The contracted third-party inspector often sets documentation requirements more than the bank itself — meaning the same lender can have wildly different expectations project-to-project



Pre-Approval Before Funding

Budget reallocations require lender pre-approval before the draw funds — uncleared reallocations are a top hold reason. Document every line item movement and secure written approval before submitting.



90-Day Schedule Threshold

If a project is 90+ days behind plan, many lenders require escalated review — CPO inspection, bank engineer review, or a formal stabilization plan — before the draw can be approved.

The 10-Item Industry Standard Framework

The following 10-item structure reflects consensus across lender and developer input, regulatory guidance, and industry best practice. It is designed to work as a universal starting point — loan type variations are additive, not structural. Additional paths may exist within individual items depending on deal structure, lender requirement, and jurisdiction.

Item 04 offers two equivalent paths. Select based on loan type, lender requirement, and state law. Both paths serve the same function: proving work is complete, amounts are accurate, and lien risk is managed.

Legend ● Required — All commercial construction loans ● Conditional — Confirm with lender at loan closing ● Recommended — Best practice

	Document / Section	Status	Notes
01	Cover Letter / Cover Sheet	● Required	Sign last after all amounts finalized
02	Table of Contents	● Recommended	Optional but strongly valued by lenders
03	Draw Summary — Sources & Uses	● Required	Reconcile both project budget and loan budget; sources and uses must always balance
04a/b	Path A: AIA G702 + G703 (GC Pay App)	● Required	Used on ~70–80% of commercial loans. Hard cost invoices and conditional lien waivers follow immediately after each pay app
04d/e	Path B: Owner’s Sworn + Contractor’s Sworn	● Conditional	IL/MI statutory or lender-required
05	Invoice Summary / Invoice Detail List	● Required	Master index of all invoices — organized by budget line. Hard costs and soft costs separated
06	Supporting Invoices (Hard & Soft Costs)	● Required	Above lender threshold; label to budget code. Thresholds vary — most lenders require backup for invoices above \$5,000–\$10,000. Confirm at loan closing.
07	Change Order Log + PCOs + Executed COs	● Required	CO balance must net against approved budget
08	Stored Materials Log & Documentation	● Conditional	When materials paid but not yet installed
09	Lien Waivers (Conditional + Unconditional)	● Required	Conditionals must immediately follow their corresponding pay app. Prior period unconditionals submitted separately at the end
10	COI + Inspection Report + Title Update	● Required	Lender-arranged reports and back up documentation such as certificates of insurance, 3rd-party inspection, title, builder’s risk, permits, concrete / soil testing reports, foundation survey, etc.

01 Cover Letter / Cover Sheet

01 Cover Letter / Lender Request Letter Required

The legal request for funds. States total draw amount requested, date, project name, draw number, and primary contact. Must be signed by an authorized representative. Critical: sign the cover letter last – after all amounts are finalized. Never sign before the draw schedule, pay application, and sworn statement are complete.

01a Lender Requisition / Disbursement Form Conditional

Many lenders have their own proprietary form. When required, use their exact template. Often includes specific disbursement authorization language required by the loan agreement.

02 Table of Contents

02 Table of Contents Recommended

Lists all sections with page ranges. Enables direct navigation without scanning the full package. Optional but strongly valued by lenders who review packages regularly. The cleanest packages always include one.

03 Draw Summary – Sources & Uses

03 Draw Summary – Sources & Uses Required

High-level reconciliation showing: original budget · cumulative prior draws · current draw request · balance remaining. Include the full sources and uses breakout: debt/equity split for both the current draw and cumulative draws. Required for CMBS, multi-tranche, and agency loans.

Sources and uses must always balance.

This is non-negotiable. Any gap between what's coming in and what's going out is a lender follow-up before anything else gets reviewed.



Veracity matters as much as completeness.

Lenders don't just need the numbers — they need to trust them. Before submitting, apply this test to every line:



Are the uses bought out?

Are subcontractors in place with signed contracts, or are these preliminary estimates? A project that is fully bought out carries fundamentally different risk than one where a significant portion of scope is not yet tested against executed bids.



Are the sources unconditional?

Committed equity is different from projected equity. Confirm whether equity is unconditional before stating it as a source.



Have the uses been tested by a third party?

Inspector-verified hard costs carry more weight than owner-stated numbers. Note the source and verification status of material line items where possible.



Two budgets: reconcile both before submitting.

Most projects carry two parallel budgets — the loan budget (the lender's view of approved costs, drawn from the loan agreement) and the project budget (the owner's or GC's live view of total cost). These two views frequently diverge over time as change orders are processed, line items are reallocated, and soft costs shift. Mismatches are a top rejection trigger. Totals must cross-check against Item 04.

The #1 battle: unauthorized line item reallocation.

Borrowers and developers frequently reallocate funds within line items without lender pre-approval. From the lender's perspective, this creates a fundamental question: is this line item fully satisfied, or is money leaving it while work remains? Lenders do not want additional dollars flowing out of a line item whose scope is not complete. Every reallocation must be documented, disclosed, and approved by the lender before the draw is submitted — whether through a formal pre-approval request or confirmation during draw review. See also: Item 07 (Change Order Log) and Item 10d (Budget Reallocation Log).

Contract type affects documentation expectations.

The granularity and verifiability of cost documentation varies significantly by contract structure:



Stipulated sum (lump sum) contracts

Backup documentation requirements are lower because the contractor bears cost risk. The agreed price is the agreed price.



Cost-plus contracts

Backup requirements are highly variable — but lenders generally expect documentation for all reimbursable costs. As the project progresses, the budget is refined. Guaranteed maximum price (GMP) and allowance structures sit between these two poles.



Confirm which contract structure governs each major scope of work at loan closing, and document the applicable backup threshold in writing.

03a Capital Call Summary • Conditional

Required when equity capital is being called alongside or instead of debt proceeds. Include GP/LP split calculation and rolling 3-month forward projection of spend. Submit capital call notice simultaneously with the debt draw to the lender.

04 Pay Applications & Sworn Statements

Item 04 has two equivalent paths. The path you use depends on loan type, lender requirement, and state law. Some lenders require both simultaneously.

PATH A GC-Led / AIA Standard (Most Commercial Loans)

04a AIA G702 — GC Pay Application Summary • Required

G702 is the one-page GC pay application summary: contract sum, net change orders, total completed and stored to date, retainage, previous payments, and current payment due. An estimated 70–80% of commercial construction projects use AIA G702/G703 or equivalents. Architect-certified before the lender processes payment. Most common error: signing the G702 before all G703 line-item amounts are finalized.

04b AIA G703 – Continuation Sheet / Schedule of Values

Required

G703 is the multi-page continuation sheet (Schedule of Values): each line item shows scheduled value, work completed prior, work completed this period, materials stored, total to date, percentage complete, balance to finish, and retainage. G703 totals must tie exactly to G702. All line items must map to the lender’s approved budget categories. Most common G702/G703 lender errors: G703 totals don’t tie to G702; retainage inconsistencies; CO amounts don’t match the approved log; overbilling beyond verified completion; period-to-period amount inconsistencies.

04c Subcontractor Pay Applications (AIA backup)

Conditional

Individual pay applications from major subcontractors. Sub backup AIA pay apps must be submitted alongside their corresponding lien waivers. This single practice eliminates the #1 back-and-forth between lenders and developers.

PATH B Owner–Sworn (Statutory / Lender–Required)

Path B is required by statute in Illinois (770 ILCS 60/5) and Michigan (MCL 570.1110) and when lenders specifically request sworn statements in lieu of or alongside AIA forms.

Structural distinction

Sworn statements are organized by vendor (each subcontractor/supplier), while AIA G702/G703 forms are organized by budget line item. This fundamental mismatch creates data reconciliation challenges. Cross-reference both views before submitting.

04d Owner’s Sworn Statement Conditional

Signed legal statement by the owner/borrower confirming the draw request is accurate and all payments are current. Organized by vendor, not by budget line item. Must be notarized and signed by an authorized officer or managing member. Statutory requirement in Illinois and Michigan; contractual in all other states.

04e Sworn Contractor Statement Conditional

The GC’s sworn statement listing all subcontractors, material suppliers, and amounts owed. Must be notarized. Organized by vendor. Required by statute in Illinois and Michigan alongside the Owner’s Sworn Statement. Together, 04d and 04e establish the full lien chain and enable proper waiver collection.



05 Invoice Summary / Invoice Detail List

05 Invoice Summary / Invoice Detail List Required

A master list of all invoices submitted with this draw: vendor name, invoice number, invoice date, amount, and budget line code. Separates hard costs from soft costs. Enables the lender to verify completeness without opening each invoice individually. This index is what transforms a folder of invoices into a reviewable package. If your package has this, a lender knows within 60 seconds whether it's complete.

06 Supporting Invoices (Hard & Soft Costs)

Note: Some lenders prefer invoices sequenced immediately following the GC pay app – confirm preferred ordering at loan closing.

06a Hard Cost Invoices / Receipts Required

Backup documentation for all hard costs above the invoice threshold. Threshold note: required documentation thresholds vary dramatically – some lenders require backup for invoices as low as \$1, while developers strongly prefer thresholds of \$10,000 or higher. The threshold is set by the lender or inspector, not the borrower – confirm at loan closing and document it in writing. Label each invoice with its corresponding budget line code.

06b Soft Cost Invoices Required

Invoices for all soft cost line items above the threshold: legal, architecture, engineering, insurance, permitting, interest reserve draws, developer fee. Label each with vendor name, invoice date, invoice number, service period, and budget line code. Include a grouped soft cost summary (by category: legal, A&E, insurance, interest reserve, developer fee) as a cover sheet to this section.

06c Interest Reserve Statement Conditional

Monthly calculation showing interest reserve drawn, remaining balance, and projected months remaining. Critical risk metric: lenders monitor interest reserve sufficiency independently. A depleting interest reserve has been described as "the biggest sign you won't get paid for the loan." Interest accrues at SOFR + spread; late-stage draws create an accelerating burn rate. Best practice: model 100–200 basis point sensitivity.

06d Developer Fee Draw Detail Conditional

Calculation supporting the developer fee draw amount, including total earned fee, amount drawn to date, and percentage completion basis for current draw.

06e Retainage Release Documentation Conditional

Required when requesting release of withheld retainage. Track hard cost and soft cost retainage separately. Include the project completion certificate or equivalent lender-required trigger documentation.

07 Change Order Log + Potential Change Orders + Executed Change Orders

07 Change Order Log + Potential Change Orders + Executed Change Orders Required

Complete, updated list of all change orders — executed and pending. For each: CO number, description, amount, status, and budget impact. Lenders verify CO balance nets against lender-approved budget; uncleared overruns will hold the draw. Unapproved budget reallocations are a top reason draws are held. Document every line item movement explicitly and include written lender approval for all reallocations before submitting.

08 Stored Materials Log & Documentation

08 Stored Materials Log & Documentation Conditional

Inventory list, location, and proof of insurance for materials that have been paid for but not yet installed. Required when requesting funding for stored materials. Include photos and documentation of secure storage location.

09 Lien Waivers

! The single most critical document in the package.

A lien waiver is a powerful legal instrument: it permanently or conditionally extinguishes a subcontractor's or supplier's right to place a lien on the property. Without valid waivers in hand, a lender cannot fund — full stop. Missing lien waivers, especially at the subcontractor level, are the single most actionable finding across all research. The rolling two-draw cycle (conditional waivers for the current draw, unconditional waivers for the prior draw) means any gap creates a compounding problem that grows draw over draw. Best practice: collect unconditional waivers as soon as prior draw payments clear — not when assembling the next package.

09a Lien Waiver Summary Log Required

A table listing every vendor/subcontractor, the draw period covered, waiver type (conditional or unconditional), dollar amount, and whether it has been received. This log is what makes a lien waiver section reviewable in under two minutes — the reviewer verifies the full chain at a glance without opening each individual waiver. Include it on every draw, without exception.



09b Lien Waivers — Conditional (Current Draw) ● Required

Conditional lien waivers from the GC and all subcontractors covering the current draw amount. Conditioned on receipt of payment — they waive lien rights once paid. Threshold note: required documentation thresholds vary dramatically (\$1 to \$10,000+) by lender and inspector — confirm at loan closing.

09c Lien Waivers — Unconditional (Prior Draw) ● Required

Unconditional waivers confirming payment was received for the prior draw and lien rights are permanently waived for that amount. The #1 most common draw rejection reason when missing. Collect immediately when prior draw payments clear.

10

 Certificates of Insurance, Inspection Report & Title Update

 **Important Note**

These are lender-arranged items. The inspection report and title update are typically ordered and received directly by the lender — the developer or borrower generally does not possess these documents and is not expected to source them. Confirm at loan closing which Item 10 components are borrower-provided vs. lender-arranged. Never assume.

How lenders read Item 10

Lenders perform deep review on Item 10 every draw. Red flags that trigger full scrutiny: amounts that don't tie across documents (#1 friction point) · missing sub-level waivers · unusual contingency draws without explanation · interest reserve trending toward depletion · last-minute revisions that misalign the signed cover letter.

10a Certificates of Insurance ● Required

Current COIs for builder's risk, general liability, and workers' compensation. Lender must be named as additional insured and loss payee. Verify expiration dates are beyond the projected construction completion date — expired COIs are a common draw hold.

10b Third-Party Inspection Report ● Conditional

Independent inspector's report confirming work-in-place percentages and project status. Many commercial lenders order the inspection directly and do not require borrowers to include it — confirm at loan closing. The inspector assigned often determines documentation difficulty more than the bank itself. (Lender-arranged)

10c Title Update / Draw-Down Endorsement ● Conditional

Title continuation confirming no new mechanic's liens or encumbrances filed since the prior draw. ALTA framework: governed by ALTA 32-06 (Construction Loan — Loss of Priority) and ALTA 33-06 (Construction Loan — Disbursement). Confirm which ALTA endorsements are in place at loan closing. (Lender-arranged)

10d Budget Reallocation Log / Contingency Draw Detail • Conditional

When requesting draws from contingency or when line items exceed budget. Many loan agreements require lender pre-approval for reallocations above a threshold. Document every line item movement explicitly and include written lender approval before submitting.

10e Schedule Update / Construction Schedule • Conditional

Current construction schedule with as-built vs. planned milestones. Required when lenders track schedule covenants or when the project is behind schedule. 90-day threshold: if a project is 90+ days behind plan, many lenders require escalated review before the draw can be approved.

10f Cost-to-Complete Projection • Conditional

Forward-looking statement of remaining costs, projected completion date, and sufficiency of remaining proceeds plus equity. Required when LTC ratios are approaching covenant limits.

10g Other Technical Documentation • Conditional

Certain project types and loan structures require additional technical documents beyond the standard COI and inspection report. Include as applicable and confirm the full list at loan closing: permits (building, grading, demolition, specialty); concrete and soil testing reports; foundation survey; environmental reports (Phase I and Phase II ESAs); wind and curtain wall testing documentation; builder's risk policy (full policy, not just the COI, when required); geotechnical reports. Maintain a project-level checklist and verify currency before every submission.



Debt Draws vs. Equity Capital Calls

The construction draw and the equity capital call are related but fundamentally different documents serving different audiences. The draw package is submitted to the construction lender; the capital call package is sent to equity partners. Both are built from the same underlying project data, but they serve different purposes and require different documentation.

“Equity partners are often the most difficult reviewers, rather than the lenders.” – Developer respondent

Insurance companies and investment banks serving as equity partners require extensive documentation to support their financial statement auditors.

Dimension	Debt / Lender Draw	Equity / Capital Call
Primary Purpose	Request loan advance against verified work	Call capital from partners for their share
Lien Waivers	Required – conditional + unconditional	Generally not required
Forward Projections	Rarely included	Required – rolling 3-month spend forecast
Inspection Report	Required (lender-arranged)	Not typically required
GP/LP Split Calc	Not applicable	Core requirement – drives call amount
Financial Audit Support	Minimal	Extensive – equity auditors require full invoice backup, receipts, and cost reconciliation
Market / Leasing Updates	Not included	Often required by JV agreement
Timing Relationship	Trigger for capital calls	Sent simultaneously with draw submission

How capital calls work in practice: the developer assembles the monthly draw, submits it to the lender for debt funding, then simultaneously calculates the equity portion and sends a capital call notice to partners with forward projections so they can plan capital deployment. Quarterly capital call packages typically export the current budget, append the next 3 months of projected spending, and calculate the GP/LP split.

Part 3 (Continued)

Internal Organization Rules

The 10-item framework defines what to include. These four rules define how to organize within each item. This is where most packages that are technically complete still fail in practice — the reviewer cannot navigate them efficiently.

The distinction that matters

A "complete" package has all the right documents. A "reviewable" package has them in the right order, with the right structure, and with explicit calculations where judgment is involved. Lenders report that navigability failures cause as much rework as missing documents.

Rule 1



Sub Pay Apps Follow G703 Order

Subcontractor pay applications (item 04c) must be ordered to match the G703 line-item (cost code) sequence — not by vendor name, subcontract value, date, or any other logic. The reviewer uses the G703 as their map; every document that supports it should follow the same sequence. This single rule eliminates the most common navigation friction in sub-heavy packages.

Rule 2



Conditional Waiver Immediately Behind Its Pay App

The conditional lien waiver for each subcontractor must immediately follow that sub's pay application — not grouped at the back of the lien waiver section. When the reviewer is checking that the waiver amount matches the pay app amount, they should not have to flip to a different section. Keeping the pay application and its corresponding waiver on adjacent pages makes amount tie-out mechanical rather than a search exercise.

Rule 3



Invoices in G703 Budget Line Order

Supporting invoices (item 06) must be organized in the same sequence as G703 line items — not by vendor name, invoice date, dollar amount, or any other logic. The invoice summary index (item 05) should map line-for-line to the G703, so the reviewer can move from any budget line directly to the backup invoice without searching. This applies to both hard cost and soft cost invoices.

Rule 4



Show Calculations for Contingency, Developer Fee & Interest Reserve

These three line items are the ones reviewers most commonly scrutinize because they involve judgment, not just receipts. Submitting an amount without showing the calculation is the single most common reason these items generate a follow-up.

Line Item	Required Calculation Fields	Common Failure
Contingency	Total contingency budget · cumulative prior draws · this draw amount · remaining balance · % consumed to date · lender pre-approval date (attach written confirmation)	Submitting a draw amount with no reconciliation; missing written pre-approval. An unapproved contingency draw is a hold, not a revision request.
Developer Fee	Total approved fee · completion % basis (cite source: architect’s certificate, inspector report, or internal) · total earned to date · prior draws · this draw · remaining balance	Not citing the completion basis or the governing loan document section. Draws without a stated basis are a common hold item.
Interest Reserve	Total reserve funded · drawn to date · this draw’s interest charge · remaining balance · current rate (SOFR + spread, stated) · projected monthly burn · months remaining	Submitting a balance without showing the rate or burn calculation. Lenders track this independently — any mismatch triggers immediate follow-up.

Interest reserve stress test

Best practice: model a 100–200 basis point rate sensitivity scenario alongside the base case. Late-stage draws accelerate the burn rate non-linearly. A depleting interest reserve is one of the highest-signal risk indicators in the entire package.



The Standards Landscape — Who Sets the Rules?

No single organization publishes a comprehensive, universally adopted standard for construction draw packages. The closest equivalents occupy different layers of the industry:

Organization	Role in Draw Standards	Scope
AIA	De facto financial document standard (G702/G703)	Forms only — not a complete draw package spec
HUD / FHA	Most prescriptive authority — specific forms required	Government-insured loans only
OCC / FDIC / Fed	Principles-based regulatory guidance	Bank policy — not package content
ALTA	Construction loan endorsement framework (32-06, 33-06)	Title company documentation requirements
MBA / CMBA	Education and research only	No standalone draw standard published
AGC	Co-publishes ConsensusDocs as AIA alternative	Does not define draw package structure
CMAA	CM Standards of Practice	Owner/CM workflow, not lender requirements

This standards vacuum means each lender creates its own requirements, each developer adapts to multiple sets of requirements simultaneously, and the resulting inconsistency produces the near-universal follow-up rates observed across the industry. The 10-item framework in Part 2 addresses this vacuum directly.

Loan Type Variations

The 10-item framework is the base layer. Loan type variations are additive – they require additional documents on top of the standard package, not different ones.

Loan Type	Additional Required Documents	Notes
Bank / Conventional	Title draw-down endorsement (10c) · Third-party inspection (10b)	Most common structure
CMBS Construction	Servicer disbursement form · Construction monitor report · PSA compliance cert	Sources & Uses required in 03
HUD / FHA (221d4, 232)	Path B required (04d, 04e) · HUD Forms 92448 & 92403 · Davis-Bacon wage records	Most prescriptive loan type
LIHTC / Affordable	Tax credit equity draw schedule · State agency draw form · Prevailing wage cert	
Bridge / Value-Add	Renovation budget variance report · Scope completion photos	
SFR / Builder Portfolio	Lot-level draw request · Stage completion verification	
Schools / Institutional	Owner's rep certification · Public agency disbursement form · Prevailing wage records	
Equity / Capital Call	Rolling 3-month projection · GP/LP split calc · Market update (if JV required)	Separate from but concurrent with debt draw

How Lenders Actually Read a Draw Package

Lender review follows a clear hierarchy. Understanding this hierarchy helps developers prioritize what to get right first.

Deep Review — Every Draw

Item 01**Cover Letter**

Draw number, loan number, entity name, amounts, authorized signature

Item 02**Draw Summary - reviewed first, at a glance**

This is the single document that tells the story of project health

Item 03**Pay Application or Sworn Statement**

Especially construction-related line items

Item 04**Lien Waivers**

Completeness and dollar-amount accuracy vs. pay application

Item 05**Change Order Log**

Budget impact and approval status

Item 06**Interest reserve balance**

Within Item 06c

Spot-Checked

Soft cost invoices, small-dollar items, progress photos, stored materials documentation

Red Flags That Trigger Full Scrutiny



Amounts that don't tie across documents
– the #1 friction point



Missing subcontractor waivers



Unusual contingency draws without explanation



Interest reserve trending toward depletion



Last-minute revisions that cause the signed cover letter to misalign with the draw schedule



The Definition of “Lender-Ready”

The Rabbit Standard

A 100% complete, validated, digital draw package that reduces lender review time to under two hours. A properly structured, complete draw package organized in the 10-item sequence should be reviewable by an experienced lender in under two hours. If it takes longer, the package has missing documents, internal inconsistencies, or inadequate structure.

Conclusion

Where Consensus Meets Opportunity

Three findings stand out across all research on construction draw packages:

01

The core documents in a construction draw package are far more consistent than the industry acknowledges. The problem is not disagreement about what to include but inconsistency in format, thresholds, and ordering. The 10-item framework addresses these surface-level variations that produce the majority of rework.

02

Equity reporting is harder than debt compliance. The capital call projection process — though separate from the draw package — shares the same underlying data and should be managed in a connected system.

03

The industry's greatest point of failure is not complex financial analysis but basic document completeness and amount tie-out — specifically, making sure lien waiver amounts match pay application amounts match draw summary amounts across every vendor in the chain.

The opportunity to define a clear, defensible gold standard — anchored in real lender and developer input — remains wide open. This framework is the starting point.



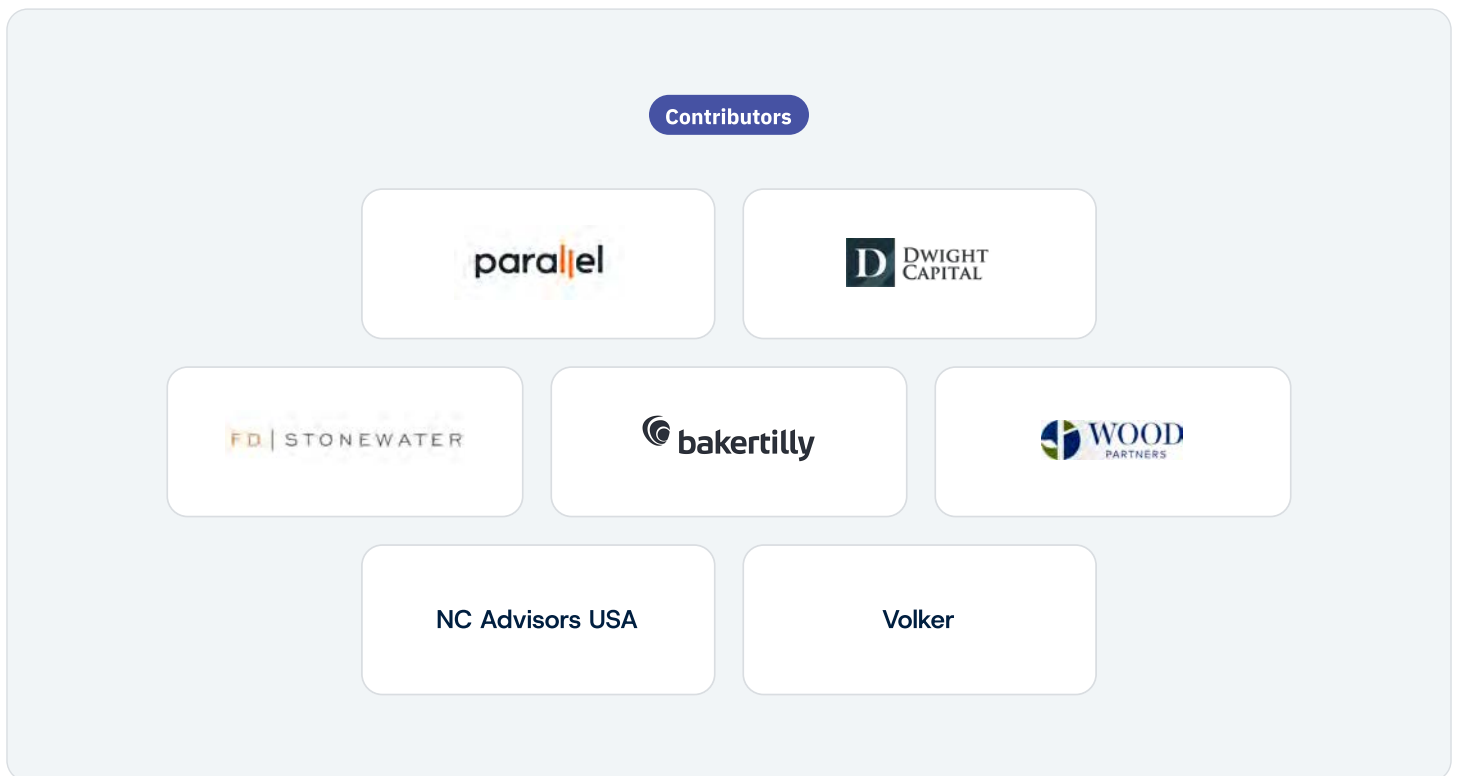
Conclusion

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Acknowledgements

This framework reflects the time, candor, and professional expertise of the practitioners and institutions who participated in Rabbit's industry research. Their willingness to share real-world experience — including the friction points, workarounds, and hard-won lessons that rarely appear in published guidance — is what gives this framework its grounding.

The organizations below contributed through practitioner interviews and structured surveys conducted between January and March 2026. Their input shaped every section of this guide — from the 10-item framework to the internal organization rules to the standards landscape.



This research also drew on the input of practitioners who participated under agreements of anonymity — lenders, developers, and construction finance professionals across loan types, geographies, and project scales.

Their perspectives are reflected throughout this guide without individual attribution, in accordance with their stated preferences. The aggregate findings in Part 1, and the framework itself, would not exist without them.

Rabbit is grateful to every practitioner who contributed time and perspective to this project. The construction finance industry's friction points are well documented; the professionals willing to articulate them precisely — and work toward something better — are the reason a framework like this can exist.

Standards improve through use. If you have input based on your experience in the field, we'd like to hear from you. Email us at drawstandard@rabbit.com.



About Rabbet

At Rabbet, we're on a mission to connect people, data, and systems to maximize real estate outcomes. We envision a world where human error is eliminated from real estate execution, where data, not delays or miscommunication, drives decisions.

Since 2017, Rabbet has been building an intuitive platform that empowers owners and capital partners with a strong data foundation. By delivering real-time, easily accessible insights, we help professionals make faster, more confident, and more informed decisions.

Trusted to manage more than \$150B in real estate capital, Rabbet continues to lead the industry forward with the support of Y Combinator, QED Investors, Camber Creek, and Goldman Sachs.

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