LENDER DRAW PROCESS

Construction-loan draw mechanics, end to end

Better context. Better conviction.

Sample — Executive Summary & Section 1

Forthcoming Q3 2026 · Editorial board: Mark Kuklis

Lender Draw Process

Introduction

The construction loan draw is the most operationally intensive cash-flow event in commercial real estate finance. On a typical $50 million ground-up project, twelve to twenty-four draws will be cycled through over the construction term, each one a documentary and verification choreography among borrower, general contractor, architect, third-party construction consultant, lender, title insurer and (on funds-control deals) a disbursing agent. Each draw is also a real-time underwriting event: the lender is being asked to advance proceeds against work in place, and the integrity of the process is what stands between a clean perfected first-lien position and a stack of unwaived mechanics liens with priority disputes.

This reference summarizes the process as practiced, the documentation that drives it, and the legal infrastructure that governs it. It is not a how-to. It is intended for capital-markets professionals who already understand the framework and want a clean source for the rules, the timing data, and the failure modes.

EXECUTIVE SUMMARY

The draw is a small underwriting re-run every month over a 24 to 36 month term. Three things bind a given cycle: completeness of the submission, the inspector's cost-to-complete view, and the waiver chain. Get those right and the rest is mechanical.

The number worth internalizing: the marketed cycle is 5 to 7 business days; the practitioner mean is closer to 14, and the p90 tail runs to roughly 30. Subs and suppliers absorb that float, which is where mid-construction stress originates.

Read the lien-waiver section before any first draw. A missed or non-conforming waiver leaves the underlying lien right intact, and in relation-back states a later mechanics lien can prime a first-recorded construction mortgage.

That’s the sample.

The full **Lender Draw Process** brief runs the complete reference end to end — every section, all tables, full citations.

Forthcoming Q3 2026

Founders’ price **$12** · $19 retail · 14-day refund