ANCHOR COMMERCIAL CAPITAL

13-Week DIP Budget Checklist

A practical pre-underwriting worksheet for commercial real estate owners, bankruptcy counsel, restructuring advisors, and sponsors preparing a debtor-in-possession financing request.

Use this before a DIP financing call. The goal is not to make the budget perfect. The goal is to show control: what cash is needed, where it goes, what protects collateral value, and how the borrower gets to sale, refinance, recapitalization, or plan confirmation.

> **Core formula:** Required DIP facility = approved operating needs + collateral-protection costs + case/process costs + contingency - usable cash collateral.

1. Deal Snapshot

Item	Answer	Status	Notes
Property address / asset type			
Borrower / debtor entity			
Chapter 11 status / filing date			
Current senior debt / payoff			
Requested DIP loan amount			
Exit path			Sale, refinance, recapitalization, plan confirmation, or other.

2. Documents to Gather Before Lender Review

Done	Document	Why It Matters
[ ]	13-week cash-flow budget	Shows the financing need and timing.
[ ]	Current rent roll / occupancy schedule	Confirms income and tenant risk.
[ ]	Operating statements / trailing financials	Shows how the property performed before distress.
[ ]	Current debt payoff / lender statement	Defines existing lien pressure.
[ ]	Insurance declarations and premium status	Confirms the collateral is protected.
[ ]	Tax status / unpaid taxes	Identifies priority claims and near-term cash needs.
[ ]	Critical repair scope / bids	Supports draw requests and value preservation.
[ ]	Appraisal, BOV, or comparable sales	Supports collateral value and exit sizing.
[ ]	Case timeline / court milestones	Connects funding needs to the legal process.

[ ]	Exit support	Term sheet, listing process, refinance path, LOI, or plan support.

3. 13-Week Budget Categories

Category	Weeks 1-4	Weeks 5-8	Weeks 9-13	Support Needed
Beginning cash / cash collateral				Bank statements, cash collateral order, lender consent.
Rental / property revenue				Rent roll, leases, collections history.
Utilities, maintenance, security				Vendor invoices, contracts, historical run rate.
Property management / payroll				Management agreement, payroll schedule.
Insurance premiums / renewals				Declarations, invoices, renewal quote.
Property taxes / assessments				Tax bill, payoff, municipality statement.
Critical repairs / code / life safety				Bids, scope, photos, draw schedule.
Legal / restructuring / professional fees				Fee budget or professional estimate.
Sale / refinance / appraisal costs				Broker, appraisal, title, environmental, lender costs.
Contingency				Explain the risk being covered.
Total funding need				

4. Lender Questions to Answer Before Outreach

- What happens to the property if the DIP loan does not fund?
- Which line items preserve collateral value versus simply buying time?
- What cash is already available, and can it be used with consent or court approval?
- What is the expected interim-order and final-order timing?
- What is the realistic exit: sale, refinance, recapitalization, or plan confirmation?
- What evidence supports value today and value after the DIP period?

5. Common Red Flags

Watch	Red Flag	Why It Slows Financing
[ ]	Large miscellaneous line item	Creates uncertainty about use of proceeds.
[ ]	Insurance status unclear	Raises collateral-protection concern.
[ ]	No payoff or lien detail	Makes priority and takeout difficult to size.
[ ]	Repair budget without bids	Turns a value-preservation request into a guess.
[ ]	Budget not connected to exit	Looks like delay instead of a financing plan.

> **Anchor review tip:** Send the budget, rent roll, payoff, insurance status, value support, and exit path together. A clean first package usually matters more than another paragraph explaining urgency.