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Commercial real estate (CRE) lending moves fast until it reaches the documentation phase. Borrowers and lenders alike often hesitate to ask the obvious question: *What is this stack of paper actually going to cost?*

They worry it will sound unsophisticated or that naming a number will lock them into an unfavorable deal. Yet, understanding these costs is essential. Loan documents aren't just formalities; they form the legal infrastructure of the transaction. Poorly drafted or inefficiently produced documents create enforcement risks, delay closings, increase borrowing costs, or lead to disputes down the road.

At Farley Law, we believe better tools and processes produce better documents and more predictable economics for everyone involved. This article provides a practical, transparent look at what it really costs to prepare professional CRE loan documents.

What a Full Commercial Real Estate Loan Package Contains

A typical CRE loan document package is extensive. It protects the lender's security interest and clearly defines the borrower's obligations. Core components often include:

- **Promissory note:** The borrower's promise to repay, with terms for interest, maturity, and prepayment.
- **Deed of trust or mortgage:** Secures the real estate collateral
- **Loan agreement:** Details covenants, conditions, representations, warranties, and reporting requirements
- **Guaranty agreement(s):** Personal or corporate guarantees
- **Security agreement:** Covers personal property, fixtures, or other collateral
- **Borrower and guarantor certificates:** Organizational documents, resolutions, and incumbency certificates
- **Title-related documents:** Endorsements to title insurance policies

- **Additional items:** Environmental indemnities, assignments of rents/leases, subordination agreements, or UCC filings depending on the deal

For a straightforward single-borrower, single-property refinance, this might total 100-200 pages. Multifamily, construction, or portfolio deals can easily exceed 500 pages with multiple entities and layered collateral.

Realistic Cost Ranges

Costs vary, but here are practical benchmarks based on market experience (U.S. markets, 2026):

- **Small:** (\$1M-\$5M loan amount, simple structure, single borrower/property): \$5,000-\$15,000
This covers a standard package with limited negotiation.
- **Mid-size:** (\$5M-\$25M, moderate complexity): \$15,000-\$40,000
More entities; some custom terms or lease reviews push fees higher.
- **Complex:** (\$25M+, construction, multi-property/borrowers, or unusual structures): \$40,000-\$100,000+
Heavy negotiation, multiple guarantors, or tight deadlines drive this.

These are attorney-prepared fees for drafting, review, negotiation, and closing support. They exclude title insurance, appraisals, environmental reports, recording fees, or lender-side counsel (which borrowers often reimburse). Hourly rates for experienced CRE attorneys typically range from \$250-\$600+, with leverage from associates and paralegals helping control totals.

What Drives the Variation?

Several factors move the needle:

Upward Cost Drivers

- Multiple borrowers, guarantors, or properties.
- Complex collateral (e.g., operating businesses, ground leases, or construction).
- Unusual or heavily negotiated terms.
- Tight timelines requiring rush work.
- First-time or out-of-market deals requiring extra due diligence.

Downward Cost Drivers

- Repeat clients or standard deal structures (faster templates and fewer revisions).
- Experienced teams with strong processes.
- Geographic markets with more competition among firms.
- Automation and technology (this is where the economics shift dramatically).

How Automation Changes the Math

Traditional document preparation often relies on manual drafting in Microsoft Word, version control via email, and repeated redlines. This is time-intensive and error-prone.

Modern automation platforms, such as **BankDocs Pro**, change the equation by allowing firms to start from sophisticated, pre-vetted templates that incorporate best practices and compliance standards. Key data (loan terms, parties, collateral) populates across documents automatically. Built-in version control and audit trails make compliance easier than ad-hoc Word files.

Automation Economics

- **Upfront setup:** Investment in templates and integration, amortized over many deals.
- **Per-transaction savings:** Dramatically reduced drafting and revision time that cuts hours (and fees) by 30% to 70% on routine elements.
- **Speed and accuracy:** Fewer errors mean fewer back-and-forths and lower risk of post-closing issues.
- **Scalability:** Lenders (or law firms serving them) can handle higher volume without proportional cost increases.

For borrowers, this translates to lower legal fees and faster closings. For lenders or funds, it reduces in-house or outside counsel spending while improving consistency.

What to Expect from a Firm Using Modern Tools Like BankDocs Pro

When working with a firm that has invested in technology like **BankDocs Pro**, expect:

- Transparent scoping and fee estimates early (often with fixed-fee options for defined scopes).
- Faster initial drafts (sometimes within days rather than weeks).
- Cleaner negotiation rounds due to stronger and more consistent base documents.

- Robust audit trails supporting regulatory or internal compliance needs.
- Focus on high-value work (strategic advice, negotiation, and tailoring rather than boilerplate drafting).

This approach doesn't eliminate the need for skilled attorneys; it amplifies their impact. The documents remain professionally tailored and negotiated, but the process is more efficient and predictable.

Borrower and Lender Perspectives

Borrowers: You're buying certainty, speed, and enforceability. Skimping on document preparation leads to higher effective borrowing costs (via delays or unfavorable terms) or future headaches. A good package is an investment in a smoother relationship with your lender.

Lenders/Loan Funds: In-house preparation has hidden costs (staff time, training, liability). Outsourcing to a tech-enabled firm often provides better quality at competitive rates, with scalability for growing portfolios.

Final Thoughts

Commercial lending documentation is legal infrastructure. Its cost reflects complexity, expertise, and process efficiency. By understanding the components, typical ranges, and impact of modern tools, business owners, founders, and lenders can approach these transactions more confidently.

At **Farley Law**, we combine deep CRE lending experience with platforms like **BankDocs Pro** to deliver high-quality documents faster and more cost-effectively. The result: deals that close smoother, perform better, and stand the test of time.

If you're preparing for a commercial real estate financing, reach out to Farley Law. We'd be happy to discuss your deal and provide a tailored scope and estimate.
