

ASSET UNDERWRITING / BORROWER FIELD GUIDE

RV parks and campgrounds underwriting guide

Reconcile annual, seasonal and nightly site income with operating season and infrastructure spending.

RV parks and campgrounds can combine annual sites, seasonal contracts, nightly stays and other revenue on one property. Those businesses use different occupancy and collection measures. Build the debt case from usable inventory and actual operating seasons, then test the cash needed for infrastructure and the months when guest revenue is low.

Separate the site businesses

Reconcile annual, seasonal and transient inventory so a site is not simultaneously counted in two income streams. Use contract rent for longer commitments and available site-nights, occupancy and realized rates for transient stays. Identify cabins, storage, utility charges and other activities separately. Sun Communities' historical reporting describes seasonal RV revenue; its portfolio pattern is not a forecast for the subject property.

Use available capacity rather than mapped capacity

Identify sites that can legally and physically operate during the modeled period. Water, septic or sewer, electrical, access and drainage limitations can reduce usable inventory before they appear in a headline site count. Have qualified professionals establish repair scope and service capacity. A future expansion or closed loop should not earn base-case rent before the conditions needed to open it are satisfied.

Model the seasonal funding cycle

Place guest deposits, refunds, operating collections, seasonal hiring, maintenance and debt payments on a monthly schedule. A deposit may fund a future service obligation and should not be counted again as new cash when the stay occurs. Compare the low-season cash need with actual unrestricted liquidity. Infrastructure work can coincide with the period when retained operating cash is lowest.

Use this guide with the matching Excel model. Illustrative assumptions are editable; no lender approval, market quote or universal threshold is represented.

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What the lender needs to understand

Preparation questions and evidence to resolve them. Actual requests and acceptance standards depend on the lender and transaction.

01 / How many sites are usable in each revenue category?

Reconciled site map, contracts, operating calendar and unavailable-site register.

02 / How do bookings become collected revenue?

Reservation records, deposits, cancellations, refunds and cash reconciliation.

03 / What supports the operating season assumptions?

Monthly history and property-specific demand evidence.

04 / Which infrastructure limits occupancy or expansion?

Engineering findings, system permits and capacity evidence.

05 / What must be paid before the next busy season?

Maintenance, staffing and capital schedule with vendor dates.

06 / What funds a weak season or prolonged closure?

Monthly downside cash plan and verified sponsor liquidity.

Turn the request list into an evidence ledger

For each material question, record the document and date, the responsible owner, the unresolved fact, the party who can accept it, and the financing consequence if it remains unresolved. A file delivered to a lender is not necessarily an accepted answer.

Evidence state: requested / received / reconciled / accepted / still conditional. Preserve the lender response and avoid treating an unanswered question as approval.

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Document checklist: cash flow and collateral

Use a consistent cutoff date. Mark missing items, conflicts and explanations rather than simply counting files.

Cash flow and operations

Document / evidence request	Received / open
Site inventory by annual, seasonal, transient and other uses.	[] _____
Annual and seasonal contracts plus reservation-system reports.	[] _____
Monthly available site-nights, occupancy and realized rates.	[] _____
Deposits, cancellations, refunds and cash-collection reconciliation.	[] _____
Ancillary revenue and related costs separated from site income.	[] _____
Monthly payroll, utilities, maintenance, insurance and tax support.	[] _____

Property and collateral

Document / evidence request	Received / open
Site map matched to legal use and actual service availability.	[] _____
Water, wastewater and electrical ownership, permits and capacity evidence.	[] _____
Road, drainage, flood and access assessments relevant to the property.	[] _____
Closed-site list with repair scope and expected reopening conditions.	[] _____
Environmental and condition reports requested for the financing.	[] _____
Expansion approvals and capital bids if future sites enter the plan.	[] _____

Reconciliation note

The schedules should agree with the source documents or identify the exact reason for a difference. Keep the source amount, the adjustment and the lender-accepted amount visible as separate fields.

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Document checklist: sponsor and closing

Confirm who provides the money, when it is available and what evidence permits the transaction to fund.

Sponsor and execution

Document / evidence request	Received / open
Sponsor and manager experience with the actual seasonal operating model.	☐ _____
Ownership, borrowing authority and guarantor documents.	☐ _____
Liquidity after other seasonal properties and capital obligations.	☐ _____
Staffing and maintenance arrangements for opening and closing periods.	☐ _____
Portfolio debt, guarantees and competing funding commitments.	☐ _____
Equity authorization for infrastructure work and a weaker operating season.	☐ _____

Closing and funding

Document / evidence request	Received / open
Operating, utility and material contract consent requirements.	☐ _____
Lender acceptance of inventory and income classifications.	☐ _____
Repair holdback conditions and evidence needed to reopen sites.	☐ _____
Payoff, title, insurance and escrow requirements.	☐ _____
Guest-deposit and prepaid-contract handover reconciliation.	☐ _____
Monthly closing-to-next-season funding plan with named sources.	☐ _____

Before committing the next dollar

- ☐ Reconcile categories and usable sites before calculating revenue.
- ☐ Fund infrastructure and the low season on actual payment dates.
- ☐ Verify operating rights and reopening conditions separately from projected occupancy.

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Use the model and reconcile the result

rv-parks-campgrounds-underwriting-model.xlsx | Summary, Assumptions, Site Nights, Operations, Debt and Funding, Review

1. Use Assumptions!D5 for Base (1) or Downside (2), and the labeled scenario input rows. Enter source data in Site Nights!D10:L21; preserve formula cells and an untouched workbook copy.
2. Keep annual, seasonal and transient sites distinct and inspect monthly available site-nights. The workbook does not determine legal capacity, usable utilities or the enforceability of guest contracts.
3. Reconcile Operations to Summary. Apply the entered lender adjustment separately to the modeled cash flow. Sizing uses amortizing debt service, while first-year payments reflect the entered interest-only period.
4. In Assumptions, replace illustrative value, LTV, DSCR, debt yield, rate, amortization and requested ceiling with the intended scenario. Review capacities in Debt and Funding. The smallest modeled capacity does not establish eligibility or approval.
5. Closing equity includes the entered opening cash and restricted reserves. Additional operating cash need is measured after that opening cash, so do not add it twice. Inspect monthly cash and remaining principal at maturity.
6. Read Review for model conventions and limitations. Save each scenario with its supporting evidence and date; actual lender definitions, legal rights and professional findings control the transaction.

Worked example: editable teaching assumptions

Illustrative Base / Downside inputs: Property value \$6,000,000 / \$5,200,000; Annual note rate 6.50% / 8.00%; Maximum LTV 65.00% / 60.00%; Minimum sizing DSCR 1.25 / 1.3; Minimum debt yield 9.00% / 10.00%; Amortization after IO (years) 25 / 25; Initial interest-only months 6 / 6.

Illustrative result	Base	Downside
Modeled revenue / contribution	\$1,904,937	\$1,685,020
NCF after reserve	\$1,217,264	\$941,919
NCF used for sizing	\$1,217,264	\$916,919
Modeled loan	\$3,900,000	\$3,120,000
Binding sizing constraint	LTV	LTV
First-year debt service	\$284,748	\$269,284
Required closing equity	\$2,000,000	\$2,780,000
Equity left / (closing gap)	\$500,000	-\$280,000
Additional operating cash need	\$0	\$0
Equity left / (combined gap)	\$500,000	-\$280,000
Principal at modeled maturity	\$3,574,328	\$2,907,601

Base NCF used for sizing is \$1,217,264. The modeled loan is \$3,900,000, with LTV binding. Closing uses of \$5,900,000 less that loan require \$2,000,000 of equity. Available equity is \$2,500,000; the signed combined surplus/gap is \$500,000 after any additional operating cash need. Downside changes the loan to \$3,120,000 and the combined result to -\$280,000.

Dollar results rounded to the nearest dollar; the workbook retains precision. Signed funding surplus is negative for a shortage. A positive funding surplus remains subject to actual source availability.

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Review the risks and the evidence

- A mapped site may not be a usable or legally rentable site.
- Annual contracts and transient site-nights should not overlap on the same inventory.
- Guest deposits are not an extra revenue stream in addition to the completed stay.
- A national or operator portfolio seasonality pattern does not establish the subject park's season.

Sources and applicability

These references support the stated asset and risk context. The questions and document lists are preparation tools, not a statement that every lender requires or accepts the same package. Actual contracts, applicable rules and the chosen lender determine the transaction requirements. The cited source passage was rechecked in the retained official source file from same-day library research; direct web retrieval was restricted or incomplete during PDF preparation.

1. Sun Communities 2025 Form 10-K | Item 7, RV revenue discussion and Seasonality of Revenue | Checked 2026-10-21

Issuer-specific disclosure; no portfolio statistic is applied to the hypothetical property.

<https://www.sec.gov/Archives/edgar/data/912593/000091259326000086/sui-20251231.htm>

Continue in the educational library

RV park income: separate annual sites, seasonal contracts and nightly stays

Campground infrastructure: connect usable sites to a funded repair plan

Discuss a financing scenario with Jaken Finance Group

833-264-7776 | info@jakenfinancegroup.com

Education and analysis do not establish a financing offer, appraisal, legal opinion or program eligibility. Confirm the current source, actual contract terms and professional advice relevant to the transaction.