

TuCielo HOA Lending Program Guidelines and Disclosures

1. Eligible Borrowers

This program is limited to duly formed and registered Florida Homeowners Associations (HOAs) and Condominium Associations that are active nonprofit entities in good standing with the Florida Department of State (Sunbiz.org). Associations must comprise a minimum of ten (10) residential units and possess board-level authorization to incur indebtedness on behalf of the membership in accordance with the governing documents and applicable statutes.

2. Loan Amounts

The minimum loan amount under this program is \$1,000,000. The maximum loan amount is subject to underwriting approval and may exceed \$10,000,000 in certain circumstances, depending on the financial condition of the Association and the scope of the proposed capital improvement or obligation.

3. Eligible Uses of Funds

Proceeds of the loan may be used exclusively for capital improvements and related costs, including but not limited to structural repairs, roof replacement, elevator modernization, common area renovations, reserve replenishment for statutory compliance, and the reimbursement of qualified outlays. Emergency repairs may be financed subject to board resolution and documentation substantiating the necessity of such expenditure.

4. Loan Terms

TuCielo offers repayment periods of up to twenty-five (25) years. Fixed-rate options may include terms of seven (7), ten (10), or twelve and one-half (12.5) years, after which the rate may reset based on an indexed benchmark with floor and ceiling caps. Full amortization is available over the loan term.

5. Security / Collateral

All loans are secured by the Association's right to levy and enforce special and regular assessments, along with the statutory lien rights provided under Chapter 718 and/or Chapter 720, Florida Statutes. No real property lien, mortgage, or personal guarantee from unit owners or board members is required. A dedicated deposit account or lockbox structure may be imposed at TuCielo's discretion.

6. Underwriting Criteria

Loan approval is subject to a full underwriting review. The Association's delinquency rate should not exceed ten percent (10%) of units being more than sixty (60) days delinquent, unless mitigated by other compensating factors. The presence of reserve funds, ability to raise assessments, and the composition of owner-occupied versus investor-owned units are all considered in evaluating credit risk. Additional scrutiny may apply to Associations with fewer than fifty (50) units.

7. Required Documentation

The following documentation must be submitted for underwriting consideration: (i) financial statements for the two (2) most recent fiscal years, (ii) current annual budget, (iii) reserve study (if available), (iv) project bids or contractor estimates, (v) board resolution authorizing the loan, (vi) governing documents (Articles of Incorporation, Bylaws), and (vii) delinquency report. Additional items may be requested during underwriting.

8. Approval Process

The process includes submission of a preliminary application, issuance of a loan proposal, formal board resolution, underwriting, and legal review. Upon satisfaction of all closing conditions, the loan will be funded. The standard approval timeline is approximately thirty (30) to forty-five (45) days from receipt of a complete application package.

9. Prepayment Terms

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Loans may be prepaid in part or in full. No prepayment penalty shall apply following the expiration of any fixed-rate period. Prepayments made during a fixed-rate period may be subject to a declining step-down fee or other pre-negotiated penalty structure.

10. Optional Enhancements

Optional features may include interest-only periods not to exceed twelve (12) months, the use of loan proceeds to replenish statutory reserves, and escrow-based draw management for disbursement control during ongoing capital projects.

Contact TuCielo Lending Team

This document is provided for informational purposes only and does not constitute an offer to lend. All loans are subject to credit approval and applicable legal and regulatory review.

To discuss your community's needs, please contact:

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