



# 10 Smart Tips for HOA Financing in Florida

*A Guide for Board Members Navigating Capital Projects*

Brought to you by TuCielo - Flexible. Transparent. HOA-Focused.

## Welcome

Welcome to your guide for navigating the HOA lending process. Whether you're planning a major renovation, reserve funding, or infrastructure overhaul, understanding how lenders evaluate your association can make or break your project timeline. At TuCielo, we specialize in tailored financing solutions that work within your documents, your budget, and your timeline.

### Tip 1: Understand What Secures the Loan

Unlike traditional real estate loans, HOA loans are secured by assessment and lien rights-not physical property. TuCielo structures all loans in compliance with Florida law and aligns with your association's budgetary flow.

### Tip 2: Keep Delinquencies in Check

A lower delinquency rate means stronger loan terms. While banks may cap approvals at 7% delinquency, TuCielo evaluates broader financial health to provide more flexible solutions.

### Tip 3: Consider the Assessment Impact

We help you model assessment impacts - whether via budget line items or special assessments - and ensure your documents support the repayment plan.

### Tip 4: Legal Readiness Matters

We'll work with your association attorney to confirm the board's authority to borrow, minimizing legal friction and accelerating underwriting. TuCielo | HOA Lending Guide



#### **Tip 5: Owner-Occupancy Affects Risk**

Banks may hesitate if over 20% of units are investor-owned. TuCielo, however, takes a more nuanced view of risk and tailors our review accordingly.

#### **Tip 6: Project Cost Must Align with Market**

High project costs per unit shouldn't outpace property values. We help boards fund wisely, so improvements enhance-not burden-your resale value.

#### **Tip 7: Unit Count = Risk Factor**

Fewer units means higher exposure per delinquency. TuCielo structures loan terms to protect smaller associations from volatility.

#### **Tip 8: Match Loan Term to Project Life**

We help you select terms (up to 25 years) based on the life of the improvement-ensuring assessments stay reasonable and projects remain self-sustaining.

#### **Tip 9: Fixed Rates Are Best**

Volatile assessments erode board credibility. That's why TuCielo offers long fixed-rate periods (7, 10, or 12.5 years), with floor and ceiling caps for transparency.

#### **Tip 10: Documentation Is Key**

We make the approval process simple. Submit your reserve study, project bids, and board minutes-we'll do the rest.