Challenges with Cloud Native IaaC Tools:

1. Cloud Dependency - CF works with AWS and ARM Templates with Azure only.

2. Steep learning curve for JSON or YAML.

3. Everything should be managed from a single file.

4. Performing a dry run was introduced recently and not effective.

5. No modules concept.

6. Importing of resources is complex in CF and doesn't exist in ARM.

7. Creating multiple resources using loops is very complex.

8. Deploying or copying files needs additional extensions.

Above issues are resolved by Terraform.