

VA Home Loan Access Barriers in San Francisco

One-Page Executive Summary for the San Francisco Veterans Affairs Commission

Purpose

This summary explains why veterans in San Francisco face systemic barriers when attempting to use the federally guaranteed VA Home Loan benefit, despite being otherwise qualified borrowers. These barriers arise primarily from local housing stock characteristics, ownership structures, and HOA governance—not from veteran risk or creditworthiness.

Core VA Home Loan Requirements

The VA Home Loan program requires that the property meet Minimum Property Requirements (MPRs) for safety, soundness, and sanitation at closing; that the veteran occupy the property as a primary residence; that condominium projects receive VA project approval; and that lenders maintain a clear, enforceable first lien on real property. These requirements are federally mandated and non-waivable.

San Francisco Housing Reality

San Francisco's housing stock is dominated by condominiums governed by HOAs, older buildings with deferred maintenance, tenancy-in-common ownership structures, and mixed-use properties. As a result, large portions of the City's housing inventory are functionally incompatible with VA loan requirements.

Most Common Barriers Encountered

Veterans are frequently blocked due to condo projects lacking VA approval; restrictive HOA governing documents; inadequate HOA insurance or active litigation; delays or refusals by HOAs to provide documentation; property-condition issues common in older buildings; and non-standard ownership structures such as TICs and co-ops.

Why This Is a Structural Equity Issue

The VA Home Loan is a promised federal benefit earned through military service. When local housing frameworks prevent its use across most of a city's housing stock, veterans are effectively excluded from homeownership opportunities. This produces disparate impact, reduced housing choice, repeated failed transactions, and de facto discrimination against VA-financed buyers.

Policy Direction

Potential solutions include improving HOA and condo alignment with VA standards, requiring timely HOA disclosures, promoting model HOA language compatible with VA lending, supporting pathways to modernize non-financeable housing structures, and educating sellers and agents on VA loan realities.

Index & Roadmap to Full Supplemental Brief

VA Home Loan Barriers & San Francisco Housing Stock

Section 1 — Core VA Home Loan Requirements

Overview of VA Minimum Property Requirements, occupancy rules, condominium project approval, and first-lien enforceability.

Section 2 — San Francisco Housing Stock Overview

Analysis of how San Francisco's reliance on condos, HOAs, older buildings, TICs, and mixed-use properties intersects with VA loan rules.

Graph A — Housing Type vs VA Loan Friction

Visual comparison of how different San Francisco housing types typically interact with VA loan eligibility.

Graph B — Housing Types vs VA-Related Requirements

Matrix illustrating which VA requirements commonly apply by housing type and where incompatibilities arise.

Section 3 — Housing Type–Specific Barriers

Detailed discussion of barriers veterans face when purchasing single-family homes, condominiums, PUDs/townhomes, 2–4 unit properties, mixed-use buildings, TICs, and co-ops.

Graph C — Common VA Loan Blockers

Ranking of the most frequent issues preventing VA loan completion, including HOA issues, insurance gaps, litigation, property condition repairs, and title structure conflicts.

Section 4 — Structural Exclusion Analysis

Explanation of why these barriers exclude veterans despite qualification and how they differ from individual buyer risk.

Section 5 — Policy & Practice Solutions

Outlined options for City leadership, including VA-ready HOA frameworks, disclosure timing requirements, insurance coordination, seller education, TIC-to-condo pathways, and outcome tracking.