



# WHAT YOU NEED TO KNOW ABOUT SOLAR LEASES

With rising costs of electricity, it's no wonder we are seeing more creative ways to acquire energy through solar power. One of the most affordable ways to purchase solar power is through an independent solar energy producer who leases the solar energy equipment to a homeowner.

In most cases, when a homeowner enters into a contract with an independent solar energy producer, they sign a contract or lease and/or a UCC financing statement and the documents are made of record through the county recorder's office. The term of the lease may vary, but many are at least 10 to 20 years. These documents will be reported on the Preliminary Title Report ordered through your escrow.

When a homeowner sells their home and it is subject to a lease or contract for solar energy, the contract will need to be assigned to the buyer who purchases the property, or the lease will need to be bought out on or before the close of escrow. It's important to note that the solar energy producer must approve the new owner prior to closing escrow, and that their requirements may be similar to or even stricter than a lender's requirements.

When a solar lease or contract is discovered through our escrow, we will notify you immediately so that you can contact your clients and make arrangements for the assignment. To avoid delays in closing, it will be helpful to know in advance if there is a lease for solar power and what the requirements will be to assign it to the new owner.

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