

SOLAR CONTRACTS & HERO LIENS

HERO Program: A property assessed clean energy loan program that provides financing for energy and water efficient home improvement.

WHAT TO WATCH FOR ON YOUR PRELIMINARY REPORT

Below is a sample from Schedule B of a Preliminary Report and shows what Assessments can look like from the HERO (Home Energy Renovation Opportunity Program).

SAMPLE from "Schedule B" of a Preliminary Report

Assessments and other matters as contained in document entitled "Notice of Assessment and Payment of Contractual Assessment Required _____ Energy Program (____ Hero Program)", recorded as Instrument Number pursuant to Chapter 29 of Part 3 of division 7 of the California Street and High-way codes, providing for the assessments of the ____ Hero Program. The assessment may be prepaid.

NOTE: THE ABOVE REFERENCED ITEM MUST BE PAID, SUBORDINATED OR SPECIFICALLY APPROVED BY THE INSURED TO REMAIN AS AN EXCEPTION ON THE FINAL TITLE POLICY.

What does this mean for your transaction?

These loan programs are considered assessments and other matters as contained in the document entitled "Notice of Assessment and Payment of Contractual Assessment". They are included in the property taxes and a recorded lien as well so they take priority over any other liens and would be required to be paid first.

Solar Panels: The most important question to ask a seller that has solar panels is if they have the current contact information for the solar company involved. Escrow will need to order demands and releases for the sellers issues and quickly put the buyer in contact with the solar company to enter into their own solar contract/agreement, if they want to keep the solar panels.

Solar Company Contract: A financial agreement directly between a homeowner and a solar company relating to the purchase or lease of a solar panel system.

Financing Statement: A legal form that a creditor files to give notice that it may have an interest in the personal property (IE: solar panels) of a debtor.

Solar company contracts & financing statements must be considered as they can be a lien and may have funds due in connection to them. They are typically recorded as two separate documents and if recorded they will be disclosed on the preliminary report.

