



SOLAR PANEL LEASE AGREEMENT



Tips for a Successful Escrow

Solar panels are becoming more common in California as are disputes over solar panel leases when properties are being transferred. It is important that all parties involved in a transaction are aware of the solar panel agreement in place. Please consider these tips to ensure a smooth escrow on your next transaction involving solar panels.

Ask the Right Questions

A property owner can install a solar system by either **purchasing it, financing it, leasing it from the vendor,** or by buying energy from the system through a **power purchase agreement (PPA)**.

The type of financing you choose can affect selling your home in the future. Make sure you ask the following questions:

- What happens if the buyer does not want the solar panels or cannot afford the payment?
- How easy is it for a buyer to qualify to take over the payments?
- Does the buyer think the solar panels are included in the purchase price?

A buyer may have to check with their lender to make sure assuming the solar panel agreement will not negatively affect their ability to purchase the property.

Communication is Key

Depending on the terms, it is important to arrange the details of who will pay any remaining balances that may be owed on solar panels. The more information you provide the better. Keep the solar panel leaseholder involved. Some companies have a designated person to help in the transfer process. Make sure all solar easements have been officially recorded in public records so that it is available during the title search process.

Get started right away by opening your transaction early with Orange Coast Title Company and use the time to get copies of all lease agreements to your escrow team.

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



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