THE SOLAR LADY
OF REAL ESTATE

REALTOR® CHEAT SHEET · SOLAR & THE TRANSACTION · NO. 01

OWNED VS. LEASED VS. PPA

Handling Solar in a Real Estate Transaction

By Christina Mathieson Segura, The Solar Lady of Real Estate™ · in solar since 2010

The panels are not the problem. What decides the deal is how the system was paid for, who holds the agreement *today*, and what the transfer or payoff actually requires, in writing. Identify the structure from the documents. "We own it" often means "we're paying it off."

SIDE-BY-SIDE: THE FOUR STRUCTURES YOU WILL SEE

	OWNED Paid in full (cash or loan paid off)	OWNED + SOLAR LOAN Financed; homeowner owns it	LEASE Third-party owned	PPA Power Purchase Agreement
WHO OWNS IT	The homeowner.	The homeowner, subject to the lender's security interest.	The solar provider.	The solar provider.
OWNER PAYS	No solar payment. There is still a utility bill.	Loan payment until paid. Ask if a tax-credit paydown was expected; if missed, the payment can rise.	Fixed monthly payment to use the equipment. Often ~20 years; often escalates on a schedule.	A price per kWh the system produces. Often ~20 years; often escalates on a schedule.
WHAT TRANSFERS AT CLOSING	The equipment, free and clear.	The equipment, **plus** a loan to resolve and possibly a public filing.	**Nothing automatically.** The agreement has to be transferred to a buyer the provider approves, or resolved another way the contract allows (prepay or buyout). Same approval for both; the payment formula is different.	
BUYER QUALIFICATION	None with a solar company.	Usually none: many servicers don't allow a buyer to assume the loan, so it's paid off.	**A second approval, separate from the mortgage,** on the provider's criteria and schedule. Credit threshold, turnaround and decline rules are often unpublished. Tell the buyer's lender early.	
DOCS TO REQUEST	Proof of paid-in-full; 12 mo production and electric bills; equipment make, model, install date; permits; warranties and who honors each.	Everything at left, **plus** the current servicer, a written payoff quote, and its home-sale instructions.	The **complete** agreement (every page, exhibit and addendum; transfer terms often sit in an exhibit); a current bill showing the payment and escalator; system ID/account #; current transfer requirements and fee; **prepay and buyout figures in writing**; 12 mo production and bills.	
UCC-1 FILINGS / LIENS	Should be none, but a filing can remain after payoff unless a termination (UCC-3) was recorded.	Lender often files a UCC-1. Title and the buyer's lender usually want it terminated at payoff; request the UCC-3 with the payoff.	Provider often files a UCC-1 as notice of its ownership. Title will ask how it's handled: terminated, subordinated, or kept with the transferred agreement. Release turnarounds are generally not published.	
WHERE TO SEARCH	Two possible offices: **personal-property filings** (Secretary of State) and **fixture filings** (county land records). **A search of one won't find the other.** Search both.			
APPRAISAL / VALUE	Equipment conveys. The appraiser decides whether and how to count it. Give them the documentation and a Green and Energy Efficient Addendum.	Like owned, but a filing treating the panels as personal property can mean no contributory value. If paying off, ask that the appraisal be made subject to payoff and UCC removal.	Lender guidelines generally treat third-party-owned solar as **personal property**, so it isn't given value in the appraisal. A low, transferable payment can still be a selling point for some buyers.	
TIMELINE RISKS	Low. Watch for a leftover filing or a closed installer (workmanship warranty may be gone).	Payoff letters are dated and can expire before a moving closing (re-order). Filing termination has no published turnaround.	Provider approval runs on **its** clock. Contracts may require written notice (e.g., 30 days), and some forms can't be filed until there's a buyer and title contact. The deed can record before the transfer is done.	
PAYOFF VS. TRANSFER	Nothing to pay off; the system conveys.	Usually **payoff** from seller proceeds at closing. Put it on the net sheet before pricing.	**1 · TRANSFER** Buyer is approved and takes over the remaining term. **2 · PREPAY** Seller pays the remaining payments; provider still owns the system. **3 · BUYOUT** Seller buys the equipment; it becomes owned (and so do the repairs). Prepay and buyout are **different numbers**. If the buyer is declined, the fallback is usually paid from the seller's proceeds.	

FIVE QUESTIONS FOR EVERY SOLAR LISTING · ASK BEFORE YOU PRICE IT

1. What kind of agreement is this: owned, financed, leased, or a PPA?
2. Who holds that agreement **today**, as opposed to who sold it?
3. What does the transfer or payoff actually require, in writing, with a timeline?
4. Is there a UCC filing, and has anyone searched **both** offices?
5. What happens if the company behind any of it no longer exists?

WHAT TO SAY, AND WHAT NOT TO

SAY IT	NEVER SAY IT
"The system is leased. Here is the agreement."	"The panels add about twenty thousand."
"Here is the documentation for your appraiser."	"This qualifies for the tax credit."
"Transfer requires provider approval. Here are the steps."	"The transfer is easy, it just takes a week."
"I found this provision. I'm not qualified to interpret it."	"That clause doesn't really mean anything."

Educational only. Not legal, tax, or financial advice. See page 2.

LISTING-SIDE CHECKLIST

Build the solar file **before** you list.

- ☐ Get the **complete executed agreement**: every page, exhibit, schedule, and addendum.
- ☐ Confirm the structure (owned, financed, lease, PPA) from the documents.
- ☐ Confirm who services it **now** from the most recent bill. Seller, financer and servicer are often three different companies.
- ☐ Request **in writing**: transfer requirements and fee, prepay and buyout figures, or a loan payoff quote.
- ☐ Put any payoff, prepay or buyout on the **net sheet before pricing**.
- ☐ Run a **UCC search in both offices**; keep copies of any filing and any termination.
- ☐ Gather 12 months of solar bills and 12 months of electric bills. Combined, that's the buyer's real monthly cost.
- ☐ Gather 12 months of production; compare it to the contract or estimate.
- ☐ Record equipment make, model, install date; collect permits and service records.
- ☐ Collect warranty documents (equipment, workmanship, roof) and the **name of the company honoring each**.
- ☐ Complete the **Residential Green and Energy Efficient Addendum**. Attach it to the MLS and contract; give it to the appraiser and inspector.
- ☐ Put the energy features in the first two lines of the **public** remarks, not private remarks.
- ☐ Disclose the agreement accurately and share the summary (payment or rate, escalator, remaining term, approval needed) with buyers' agents up front.
- ☐ Submit the transfer request the day you have a buyer and title contact. Keep confirmation numbers and follow up in writing.

BUYER-SIDE CHECKLIST

Get the solar facts **before** attorney review.

- ☐ Get a copy of the **exact agreement** the seller signed, not a summary.
- ☐ Determine who owns the system and who services it today.
- ☐ Get the transfer requirements right away. Provider approval is **separate** from the mortgage approval.
- ☐ Request a preliminary lien and **UCC search in both offices**.
- ☐ Review the payment or per-kWh rate, the escalator, and the remaining term.
- ☐ Get 12 months of solar and electric bills to estimate the true monthly cost.
- ☐ Compare 12 months of production to what the contract promised.
- ☐ Tell the lender about the agreement early. An assumed payment may affect DTI, depending on the loan program.
- ☐ Get warranty details and who stands behind each one. Is the installer still in business?
- ☐ Home inspections often don't cover solar or the roof under the array. If the buyer wants a solar inspection, order it early and get the scope in writing.
- ☐ Before closing: transfer documents signed, filing treatment confirmed with title, payoff and UCC-3 requested if financed.
- ☐ After closing: confirm the transfer completed and billing moved to the buyer. Keep copies.

RED FLAGS: SLOW DOWN, GET IT IN WRITING

- ! "We own it," but there's a monthly payment to a solar company.
- ! The seller can't produce the full agreement or the exhibits.
- ! The installer is closed or bankrupt, or the bill comes from a company the seller never heard of.
- ! A "paid-off" system still has a UCC-1 on record with no termination.
- ! The solar payment plus the electric bill exceeds the pre-solar bill, or a payment jump is coming.
- ! The "solar loan" also financed non-solar work, such as a roof.
- ! Production is well below the contract estimate.
- ! Contract-to-close is shorter than the provider's notice or approval period.
- ! Roof leaks, panels removed and reinstalled, or work without permits.
- ! Someone offers to "get the seller out of" the solar contract. Ask what happens to the obligation, and send it to an attorney.

QUESTIONS TO ASK THE SELLER

1. Is it owned outright, financed, leased, or a PPA? May I see every page?
2. Who do you pay today, and who installed it?
3. What's the payment or rate, the escalator, and the remaining term?
4. Has the provider given you transfer, prepay or buyout figures in writing?
5. Is there a battery, and is it in the same agreement?
6. Was a tax credit supposed to be applied to the loan? Was it?
7. Which warranties exist, and who honors each one?
8. Any roof work, leaks, repairs, or panel removal since installation?
9. Can you send 12 months of production and electric bills?
10. Will you authorize the provider to talk with the buyer, attorneys and title?

KEY PROVIDER LINKS (AS POSTED; CHECKED OCT. 13, 2026)

SunStrong Management (services many former SunPower & Sunnova leases/PPAs): sunstrongmanagement.com/homeowners/. Home-sale requests go through sunstrongmanagement.com/customer-service-inquiry/ ("Sell or refinance my home"); the form asks for buyer, title contact and estimated closing date.

Spruce Power: sprucepower.com/home-sales. The Home Sale form asks for a preliminary title report; the web form lists $400; its other forms show different amounts, so confirm the current fee with Spruce.

Tesla: tesla.com/support/energy/solar-panels/after-installation/transferring-ownership and …/documents/property-title. Tesla says to notify it prior to listing; only the system owner can start the transfer.

Solar Servicing, LLC (many former Mosaic loans): solarservicingllc.com/homeowner-faqs/. Says it does not currently offer loan transfers and suggests a payoff.

Provider policies, forms and fees change. Always follow the provider's current written instructions. Other providers (Sunrun, GoodLeap and others) have their own processes; get them from the provider directly.

EDUCATIONAL ONLY. This sheet is general education for real estate professionals, not legal, tax, financial, or appraisal advice, and it doesn't interpret any contract. Every agreement is different. Verify every detail with the solar provider or loan servicer and your broker, and refer contract, title and tax questions to a qualified attorney or CPA. No value, timeline, approval, or outcome is promised.

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