

SOLAR MATRIX

TYPE OF SOLAR	FNMA Homestyle		FNMA/FHLMC		FHA		VA	
PACE/HERO*	Can it stay in place as a subordinate lien?	NO	Can it stay in place as a subordinate lien?	NO	Can it stay in place as a subordinate lien?	NO	Can it stay in place as a subordinate lien?	YES- subject to VA Circular Letter 26-16- 18
	Can it be paid off?	YES- rate/term refinance	Can it be paid off?	YES-cash out refinance	Can it be paid off?	YES- rate/term refinance	Can it be paid off?	YES- rate/term refinance

SOLAR LEASE AND POWER PURCHASE AGREEMENT

SOLAR LEASES AND PPA'S ARE ALLOWED ON ALL PROGRAMS IF THE FOLLOWING REQUIREMENTS ARE MET:

- Property is connected to the local power grid
- The solar company maintains general liability coverage for damage to the subject property
- The borrower's homeowner's policy does not name the solar company as a loss payee or include a provision for any losses for damage caused by or to the solar equipment or any tort liability between the solar company and the homeowner
- There can be no verbiage on the lease or PPA that places any restrictions on the transfer of the real property
- There can be no verbiage which requires a transferee to credit qualify
- Title cannot reflect any liens for the solar equipment. If a UCC1 has been filed, it must be terminated by filing a UCC3
- In the event of foreclosure, the lender must have the ability to terminate the lease and require the solar company to remove the equipment; or become, without cost, the beneficiary of the borrower's lease/PPA; or enter into a new lease/PPA under terms no less favorable than those of the current lease
- The appraiser must not give the solar energy system any value on the appraisal report

SOLAR EQUIPMENT OWNED OUTRIGHT

Allowed with no restrictions. The appraisal may include the value of the system in the appraised value as long as market acceptance is demonstrated (at least 1 recent closed sale with same amenity)

SOLAR EQUIPMENT FINANCED WITH SECOND TD*

Can it stay in place as a subordinate lien	YES- subject to program LTV/CLTV requirements	Can it stay in place as a subordinate lien?	YES- subject to program LTV/CLTV requirements.	Can it stay in place as a subordinate lien?	YES- subject to program LTV/CLTV requirements	Can it stay in place as a subordinate lien?	YES- subject to program LTV/CLTV requirements
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*must always be paid off in the case of a purchase transaction.