

ARTICLE OF INTEREST

Don't Get Blinded by Solar Savings

by Kim Feeney Zollo, CFP

Solar panels are popping up all over the place. You can see evidence on almost every street it seems. What's been driving this solar energy growth? In Massachusetts it started with the passing of the Green Communities Act in 2008. The state set an aggressive standard that requires power providers to have 25% of their electrical load come from renewable energy sources by 2020.

From a financial stand point, the installation of solar panels can be a great way to save on your electric bill and for the environmentally conscious it's a great way to reduce your carbon footprint. The average solar panel installation costs between \$18,000 and \$25,000. Some purchase the panels outright by using a home equity loan but most homeowners opt to lease the panels with a free installation. The leasing may be more appealing as no money is needed up front and the benefits start accruing almost immediately. Sound too good to be true? Maybe for some.

Issues surrounding solar panel leases have been popping up more recently as homeowners either sell their homes or refinance their mortgages. Leasing agreements require a UCC-1 Fixture Filing which is in effect a lien on your property. Looking at the fine print, you may see that the solar company requires one or two options upon selling your home that has leased panels: 1) the existing homeowner can buy out the balance of the lease agreement upon sale or 2) transfer the lease agreement to the new homeowner so long as they qualify and wish to assume the remainder of the



Forward

Comments? Questions?

Essex Capital Management would love to hear from you.

[Reply to this e-mail.](#)

agreement.

The bottom line, before you enter into any solar panel leasing agreement, make sure that the terms of the agreement are in compliance with Fannie Mae, Freddie Mac, and FHA requirements. (Source: [East Boston Savings Bank/Bill Katinoglou](#)).

For more information about solar energy in Massachusetts:

[Massachusetts Clean Energy](#)

[National Grid Solar Power](#)



Essex Capital Management

www.essexcapm.com
