



## Solar Panel Checklist

Refer to Jumbo Product Profiles for Requirements

<b>Solar Panels Leased or Covered by a Power Purchase Agreement</b> Solar panels leased from or owned by a third party under a power purchase agreement (PPA) or other similar lease arrangement. Review copies of the lease or power purchase agreement.	
<input type="checkbox"/>	<b>Conforming Loans</b> The monthly lease payment is included in the DTI ratio calculation unless the lease is structured to <ul style="list-style-type: none"> <li>• provide delivery of a specific amount of energy at a fixed payment during a given period; and</li> <li>• have a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet the energy output required for in the lease for that period.</li> </ul> Payments under PPA where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.
<input type="checkbox"/>	<b>FHA, VA, and USDA</b> The monthly lease payment is not included in the DTI ratio calculation
<input type="checkbox"/>	The value of the solar panels is not included in the appraised value of the property.
<input type="checkbox"/>	The value of the solar panels is not included in the LTV ratio calculation, even if a precautionary UCC filing is recorded because the documented lease or PPA status takes priority.
<input type="checkbox"/>	The value of the solar panels is not included in other debt secured by real estate in the CLTV ratio (because the documented lease or PPA status takes priority).  When the only property described in the UCC filing as collateral is the solar equipment covered by the lease or power purchase agreement, and not the home or underlying land, such a UCC filing is acceptable (and a minor impediment to title), as long as the loan is underwritten in accordance with this topic.
<input type="checkbox"/>	The property maintains access to an alternate source of electric power that meets community standards.
<input type="checkbox"/>	Damage that occurs as a result of installation, malfunction, manufacturing defect, or the removal of the solar panels is the responsibility of the owner of the equipment and the owner must be obligated to repair the damage and return the improvements to their original or prior condition (for example, sound and watertight conditions that are architecturally consistent with the home)
<input type="checkbox"/>	In the event of foreclosure, the lender or assignee has the discretion to: <ul style="list-style-type: none"> <li>• terminate the lease/agreement and require the third-party owner to remove the equipment;</li> </ul>



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	<p>become, without payment of any transfer or similar fee, the beneficiary of the borrower's lease/ agreement with the third party; or</p> <ul style="list-style-type: none"> <li>enter into a new lease/agreement with the third party, under terms no less favorable than the prior owner</li> </ul>
<input type="checkbox"/>	The owner of solar panels is not named loss payee (or named insured) on property owner's insurance policy
<p><b>Solar Panels Financed as a Fixture to Real Estate</b></p> <p>Solar panels are collateral for the separate debt used to purchase the panels and are fixed to the real estate because a UCC Fixture Filing has been filed in the real estate records.</p> <p>Review the credit report, title report, appraisal, and/or UCC Fixture Filing, related Promissory Note, and related Security Agreement that reflect the terms of the secured loan.</p>	
<input type="checkbox"/>	The UCC Fixture Filing is being terminated; <b>nothing further is needed</b>
<input type="checkbox"/>	<p>Include the debt obligation in the DTI ratio calculation</p> <ul style="list-style-type: none"> <li><b>Do not include for FHA Non-credit Qualifying Streamline Refi, VA IRRRL and USDA Streamlined Assist</b></li> </ul>
<input type="checkbox"/>	<p><b>Conforming</b></p> <p>Include the solar panel debt in the CLTV</p>
<input type="checkbox"/>	<p><b>FHA, VA, and USDA</b></p> <p>Do not include the solar panel debt in the CLTV</p>
<input type="checkbox"/>	Provided that the panels cannot be repossessed for default on the financing terms, the appraiser considered the solar panels in the value of the property (based on standard appraisal requirements).
<input type="checkbox"/>	The UCC Fixture Filing is being subordinated
<p><b>Solar Panels Financed as Personal Property</b></p> <p>Solar panels are reported to be collateral for separate (non-mortgage) debt to purchase the panels, but do not appear on the title report. Obtain and review the credit report, title report, and/or UCC Financing Statement, related Promissory Note, and related Security Instrument.</p>	
<input type="checkbox"/>	<p><b>Conforming</b></p> <p>Include the debt obligation in the DTI ratio calculation.</p> <p><b>FHA, VA, and USDA</b></p> <p>Not included for Non-Credit Qualifying Streamline Refi, VA IRRRL and USDA Streamlined Assist</p>
<input type="checkbox"/>	Appraiser did not provide contributory value of the solar panels towards the appraised value because the panels are collateral for another debt.



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<input type="checkbox"/>	The panels are not included in the LTV ratio calculation.
<input type="checkbox"/>	Did not include the debt in the other debt secured by the real estate in the CLTV ratio calculation since the security agreement or any UCC financing statement treat the panels as personal property not affixed to the home.
<b>Solar Panels Owned Free and Clear</b> Borrower owns solar panels and has no related debt.	
<input type="checkbox"/>	There is no UCC1 Financing Statement or notice recorded against the subject property. In the event there is a UCC-1 Financing Statement, it must be released; and
<input type="checkbox"/>	The appraiser has recognized the existence of the solar panels and considered the solar panels in the appraiser's opinion of the market value of the property.
<b>Definitions</b>  <p>A "Precautionary" UCC Filing is one that lessors often file to put third parties on notice of their claimed ownership interest in the property described in it. When the only property described in the UCC filing as collateral is the solar equipment covered by the lease or PPA, and not the home or underlying land, such a precautionary UCC filing is acceptable (and a minor impediment to title), as long as the loan is underwritten in accordance with this topic.</p> <p>A Fixture Filing is a UCC-1 Financing Statement authorized and made in accordance with the UCC adopted in the state in which the related real property is located. It covers property that is, or will be, affixed to improvements to such real property. It contains both a description of the collateral that is, or is to be, affixed to that such property, and a description of such real property. It is filed in the same office that mortgages are recorded under the law of the state in which the real property is located. Filing in the land records provides notice to third parties, including title insurance companies, of the existence and perfection of a security interest in the fixture. If properly filed, the security interest in the described fixture has priority over the lien of a subsequently recorded mortgage.</p>	