

## **What You Need to Know When Buying a Home with Solar Panels**

More homes have solar panels today than ever before. They offer great benefits—lower energy costs and a positive impact on the environment—but when buying or selling a home with solar panels, there are some important details to understand.

### **How Was the System Financed?**

- **Purchased Outright** – The solar system is considered part of the home and adds to its equity. Once the sale closes, the new owner also owns the solar system.
- **Solar Loan** – The seller is responsible for paying off the remaining balance. Often, the loan and system cost are factored into the home's sales price.
- **Lease or Power Purchase Agreement (PPA)** – In this case, the panels are owned by a third party. The homeowner pays monthly to use the system, and it does not increase the appraised value of the property. If selling, the owner must either buy out the lease or find a buyer willing to assume it (subject to credit approval by the leasing company).

### **What Buyers Should Look For**

- Review the seller's utility bills to understand expected savings.
- Ask who manufactured and installed the panels in case repairs are needed.
- Confirm whether the panels and inverters come with a warranty.

### **Important Update**

As of August 1, 2025, ALTA issued a new endorsement for residential solar on loan policies. This endorsement provides coverage if a solar PPA, lease, or financing agreement is later ruled to create an interest in the property or a lien on the title.

### **Final Tip**

Buying or selling a home with solar panels can involve extra steps. As a knowledgeable title agency, Kotner Title will help you navigate the process smoothly and protect your investment.