



## FAQS – Sunlight Loans and the Customer’s Home

### **What happens if I sell my home?**

When you sell your home, you have two options. The most common choice is to pay off the remaining balance on the loan and sell the home with the added value of a paid-off solar system. The second option is to ask the homebuyer to apply to take over the loan payments where you left off – this is called transferring the loan. You can only do this if homebuyer meets all of the lender’s credit criteria to take over the balance of the loan.

### **What is the process for transferring the loan to a new homeowner?**

1. The borrower should inform the lender that the borrower is considering transferring the solar loan to the homebuyer.
2. The homebuyer will be asked to complete a credit application. To be able to transfer the loan, the homebuyer will need to meet the lender’s credit requirements.
3. If the homebuyer meets the credit requirements, the homebuyer will need to sign a loan agreement in the outstanding loan amount.

### **What happens if I need to refinance my mortgage?**

When you re-finance your mortgage you will need to contact your lender first to notify them of your plan. We recommend reaching out to your lender at least 2 weeks ahead of time. The lender can then assist you in filing paperwork called a subordination. This subordination document will make it clear that the UCC-1 security interest on the solar system is subordinate to your mortgage. This will help make sure that you do not run into any complications during your re-finance.

### **Is there a lien on my home?**

No, there is no lien on the home. Instead, you give the lender a security interest in the solar system. The lender will typically file a UCC-1 and a fixture filing, as applicable, to create a lien on the solar system.

### **What is the security interest on the system (ucc-1filing)?**

As part of the loan agreement, the lender will file security interest paperwork with the county that states that the lender has a security interest in the solar equipment. This security interest is known as a UCC-1 filing. With this arrangement, there is no lien on your home or property, instead the solar system itself serves as the collateral for the loan.

### **Can I pre-pay the loan off early?**

Yes! You can prepay the loan in full or in part at any time. Simply call your lender to find out the payoff balance. Remember, the earlier you pay it off, the less interest you will have accrued on the loan. And there are no prepayment penalties!

### **Who is my lender?**

Sunlight works with multiple lenders. The lender that funds your loan will depend on factors including your geographic location, the loan product you have applied for, and your credit profile. The lender will be determined after you submit a credit application. You can identify the lender that is funding your loan before you sign the loan agreement when you review the loan documents.