Why protect and perfect solar equipment financing?

Understanding and mitigating risk through the solar lending and servicing lifecycle

Solar lending stages

1. Determine desired search types, including:
   - Bankruptcy
   - Corporate document retrieval
   - Federal and state tax liens
   - Litigation
   - Judgment liens

2. Search tips
   - Determine the states and filing offices to search.
   - Search both state and county level public records to identify existing liens against a debtor, or a financed solar system.

3. UCC filings
   - Types of UCC filings
     - UCC-1
     - UCC-3
     - UCC-4
   - UCC timing for perfecting interest in solar equipment
     - Fixtures (equipment that is physically attached to a property)
     - Must be done within 20 days of the debtor taking possession of the collateral.
     - Non-inventory collateral (equipment that has been purchased or leased)
     - Must be filed before the debtor takes possession of the collateral.
   - UCC filings are neither permanent — UCC must be updated filing in order to preserve the perfection of financial interests.

4. Collateral amendment
   - Used to change or add critical information about the debtor or the secured description.
   - Extends the life of the financing statement by an additional five years;
     - UCC-3 fixture
     - Amendments for all changes, but must be filed in the county’s real ownership, continuations, and terminations.
   - Amendments for changes to borrowers/lessors, collateral, secured party

5. End of loan
   - Determining when a loan is complete
   - Loan refinancing or payoff
   - Death of the borrower
   - Bankruptcy of the borrower

The value of a knowledgeable expert

With varied requirements changing jurisdictional requirements, all of which can significantly impact ensure they remain on top of the latest legislation, new regulations, and rapidly a knowledgeable partner can be instrumental in helping lenders at every stage understanding and mitigating risk through the solar lending and servicing lifecycle.