



# Navigating the Solar Revolution

Key Trends Shaping the  
Industry's Future

An eBook exploring critical developments  
in solar power and renewable energy



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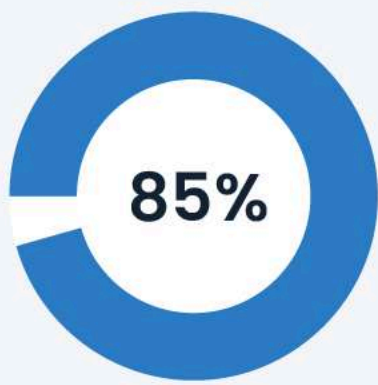
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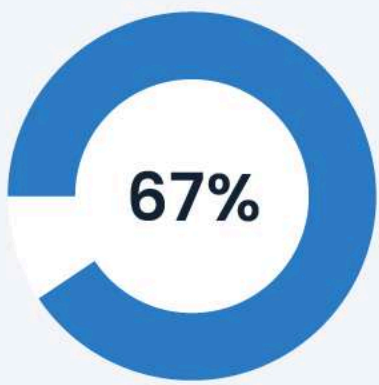


# The Solar Industry at an Inflection Point

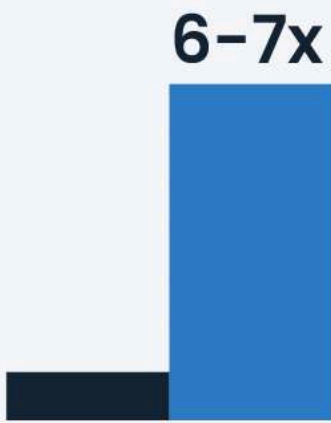
The residential solar industry is experiencing unprecedented growth, with approximately 85% of residential solar photovoltaic systems in the U.S. now financed rather than purchased outright. This shift represents more than just a change in consumer behavior—it signals a fundamental transformation in how the solar industry operates, finances, and scales its operations.



85% of residential solar PV systems are financed



67% of home efficiency/ solar companies utilize outsourced loan servicing



Market growth projected to increase 6-7 times current levels to meet decarbonization goals

This growth brings both tremendous opportunities and complex challenges. As the industry matures, three critical trends are emerging that will determine which companies thrive in this evolving landscape:



**Portfolio Performance Optimization**  
Managing complex loan products and customer relationships



**Ecosystem Integration**  
Coordinating multiple vendors and scaling operations efficiently



**Regulatory Navigation**  
Adapting to evolving compliance requirements across jurisdictions

Understanding these trends is essential for solar companies seeking sustainable growth in an increasingly competitive market.



## Trend 1

# Portfolio Performance and Market Complexity

### The Challenge:

### Navigating Financial Product Complexity

The solar financing landscape has become dramatically more sophisticated, presenting both opportunities and challenges for industry participants. Only 60% of U.S. adults give themselves an "A" or "B" grade on personal finance knowledge, yet they're being asked to navigate increasingly complex solar financing options including loans, leases, and Power Purchase Agreements (PPAs).



## Key Market Dynamics:

### Investment Tax Credit Management

The federal Investment Tax Credit (ITC) creates unique servicing requirements. Customers often don't understand the implications of the credit on their loan principal, leading to confusion and potential payment delays.

### Performance Impact:

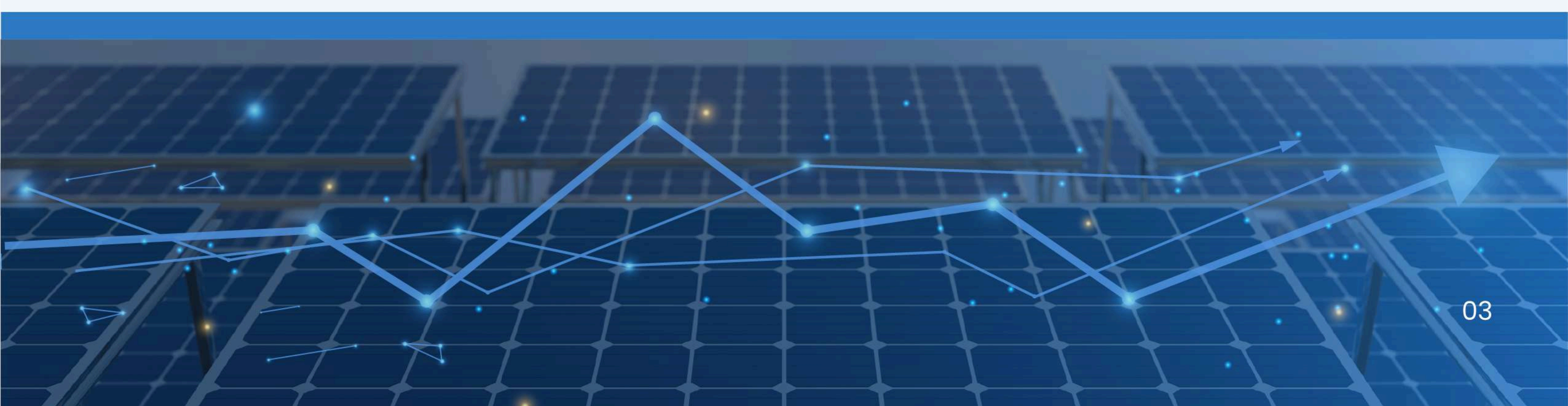
Like other consumer loans, losses are highest early in loan lifetimes and decline later. However, solar-specific factors—such as production delays and customer confusion about promotional periods—can extend this high-risk period if not properly managed.

### Permission to Operate Delays

Major delays in utility interconnection create cash flow challenges when customers delay payments until their systems are producing power. This disconnect between installation completion and payment initiation significantly impacts portfolio performance.

### Consumer Education Gap

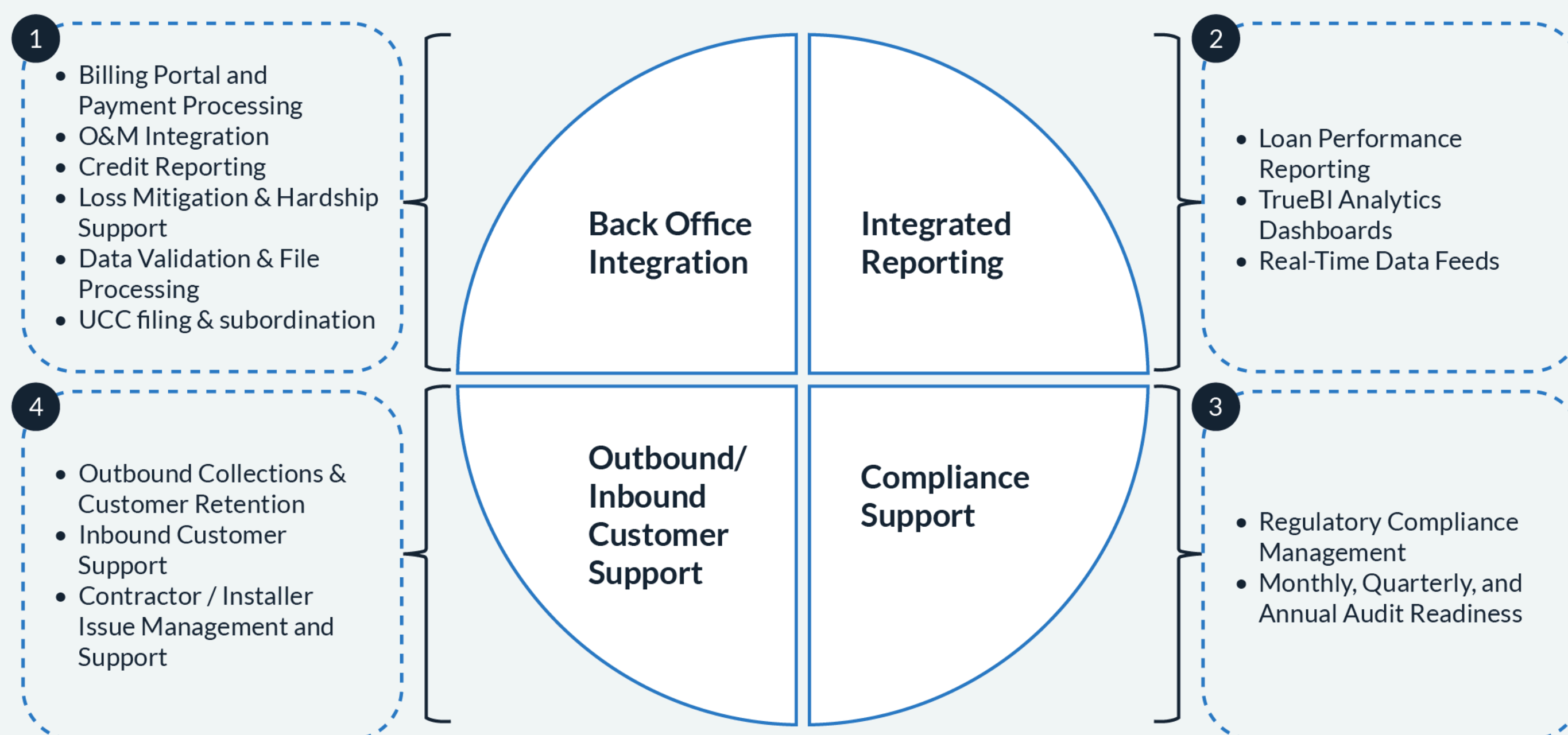
The percentage of financially unhealthy mortgage customers has risen to 54% from 48% in the past year. In solar, this challenge is amplified by product complexity. Installers excel at installation but may not be experts in finance, leaving customers confused about their obligations.





## Trend 2

# Ecosystem Integration and Scalability Challenges



## The Challenge: Managing a Fragmented Vendor Ecosystem

With so many solar financing options now available, the marketplace for these products has become increasingly complex. Solar companies typically manage relationships with up to a dozen different vendors and solutions:

### The Typical Solar Financing Ecosystem:

- Financing sources and originators
- Lien management and UCC filing services
- Electronic documentation platforms
- Custodial and loan validation services
- Credit reporting agencies
- Payment processors & merchant services
- Collections agencies
- Analytics and reporting tools
- Audit and compliance services

## Scalability Pressures

Cloud-based loan servicing allows financial institutions to scale their operations seamlessly. However, many solar companies struggle with:

### Technology Integration Challenges

Disconnected systems create poor customer experiences, increased default rates, and manual data entry requirements that increase errors and regulatory risks.

### Capacity Constraints

Some servicers experience long wait times due to capacity limitations, creating negative customer onboarding experiences precisely when first impressions matter most.

## Geographic Expansion Complexity

Many states have laws that limit participants' flexibility to use certain financing structures. Some states restrict PPAs, while others have ambiguous applications to solar equipment leases, requiring different operational approaches by market.

## The Competitive Landscape Evolution

Larger commercial banks may start to offer more direct-to-consumer loans for solar. This will make an already competitive solar loan space even more competitive, putting pressure on existing players to differentiate through superior service and technology integration.

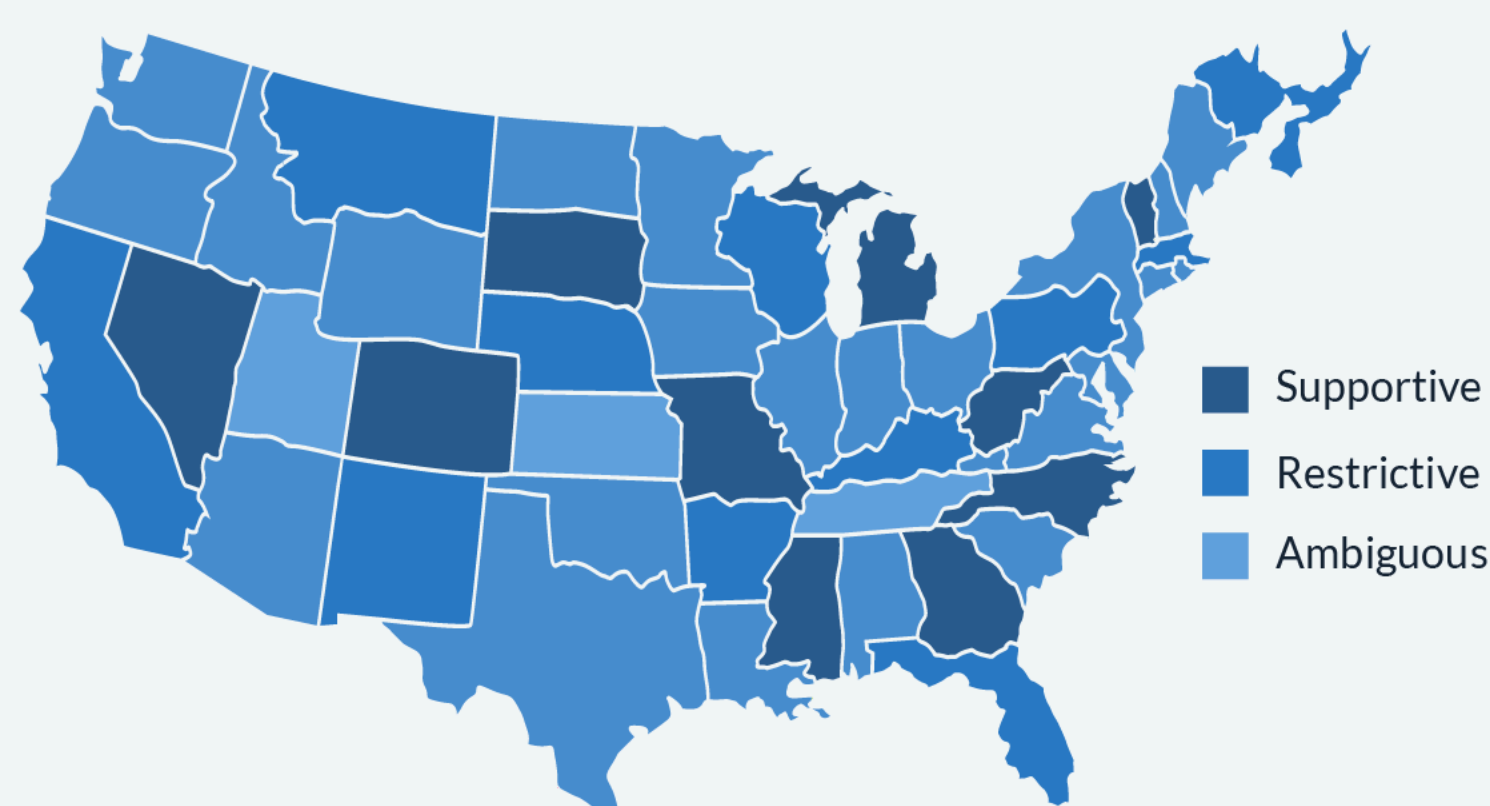
### Trend 3

## Regulatory Evolution and Compliance Complexity

### The Challenge:

#### Navigating a Complex Regulatory Landscape

There are over 200 state and federal policies, regulations, mandates and laws pertaining to US solar energy development with significant complexity. This regulatory complexity spans multiple jurisdictions and continues to evolve rapidly.



### Federal Policy Evolution

Recent legislation including the Infrastructure Investment and Jobs Act and Inflation Reduction Act has created new opportunities through green banks and state energy programs. However, navigating these programs requires specialized knowledge of varying criteria and application processes.

### State and Local Variations

Government solar funding programs and regulations vary dramatically by state, county, and even city. Complicated programs often change based on income levels—for example, different criteria apply for Low and Middle Income (LMI) buyers versus other homeowners.

#### Key Statistics:

- About 43% of U.S. households are considered LMI
- Lawrence Berkeley National Laboratory found that financial incentives such as rebates and net metering drove solar adoption among LMI households
- To decarbonize the energy sector, DOE expects that annual residential solar installations will need to grow six to seven times their current level



# Compliance Requirements

## Consumer Protection Laws:

- Truth in Lending Act (TILA)
- Fair Debt Collection Practices Act (FDCPA)
- Telephone Consumer Protection Act (TCPA)
- Servicemembers Civil Relief Act (SCRA)

## Data and Privacy Regulations:

- Payment Card Industry (PCI) compliance
- State privacy laws and data security requirements
- Customer information protection standards

## Financial Services Oversight:

- Consumer Financial Protection Bureau (CFPB) regulations
- Office of the Comptroller of the Currency (OCC) requirements
- Federal Trade Commission (FTC) rules

## The Stakes:

Compliance with regulatory requirements is a critical aspect of the lending industry. One misstep can result in significant financial consequences (fines) or legal ramifications, while also negatively impacting homeowner perception of solar companies.

## The Path Forward – Strategic Considerations

### Building for Sustainable Growth

As the solar industry continues its rapid expansion, successful companies will be those that proactively address the three critical trends shaping the market.



## Portfolio Performance Optimization

### Strategic Focus Areas:

- Implement specialized training for customer service teams on solar-specific issues
- Develop integrated technology solutions that connect solar production data with loan portfolios
- Create proactive analytics to identify trends that impact default rates
- Establish consultative collection approaches focused on customer education



## Ecosystem Integration Excellence

### Key Capabilities Required:

- Unified platforms that consolidate multiple vendor relationships
- API-first architecture enabling seamless data flow
- Scalable onboarding processes that maintain quality as volume increases
- Real-time reporting and analytics across all ecosystem components

## Regulatory Compliance Leadership

### Essential Elements:

- Dedicated compliance management systems
- Regular monitoring of changing regulations across multiple jurisdictions
- Proactive policy engagement and industry advocacy
- Specialized expertise in solar-specific regulatory requirements

## About Concord

### Powering the Future of Solar Finance

Concord Servicing stands at the intersection of the solar industry's growth and the financial services expertise required to support it. With over 35 years of experience in loan servicing and 15 years specifically in the solar market, Concord uniquely understands the challenges outlined in this eBook.



## Our Solar Industry Expertise

Concord is purpose-built to address the three critical trends shaping the solar industry:

Portfolio  
Performance Leadership

Ecosystem  
Integration Excellence

Regulatory  
Compliance Expertise



## Portfolio Performance Leadership

- Specialized solar loan servicing with industry-specific training
- Integrated technology connecting solar production data with loan portfolios
- Consultative collections approach focused on customer education
- Proven track record of below-market default rates

## Ecosystem Integration Excellence

- Comprehensive platform managing all aspects of the loan lifecycle
- Strategic partnerships across the solar vendor ecosystem
- Seamless API integrations reducing manual processes
- Scalable infrastructure supporting growth from 500 to 5,000+ loans per month

## Regulatory Compliance Expertise

- Proprietary Compliance Management System (CMS)
- Deep expertise in solar-specific regulations across all jurisdictions
- Proactive monitoring of regulatory changes and policy developments
- Strong voice in industry advocacy and policy formation

## By the Numbers

**\$35 Billion**

in assets under  
management

**5+ Million**

accounts serviced

**400+**

successful conversions  
completed


**225**

strategic partnerships  
across the ecosystem

- Purpose-built solar servicing capabilities
- Highly configurable solutions that adapt as businesses evolve
- Advanced analytics and reporting tools
- Comprehensive security and compliance features



Contact us today

 (866) 493-6393

 [www.concordservicing.com](http://www.concordservicing.com)

## Partnership Approach

Concord serves as more than a vendor—we're a strategic partner helping solar companies navigate industry complexity while focusing on their core business of growing clean energy adoption.