

Understanding a HERO ASSESSMENT Shown on a Preliminary Title Report

What exactly is a HERO Assessment?

- 'HERO' is an acronym for Home Energy Renovation Opportunity.
- HERO obligations are voluntary assessments, funded by government bonds, and re-paid through the collection of regularly assessed property taxes.
- HERO obligations are Contractual voluntary assessments for energy conservation real property improvements (e.g., solar panels and other alternative energy sourced fixtures).

When a HERO lien appears in your Prelim it is important to know the intent of the Buyer(s) and Seller(s) for this obligation. If the Buyer(s) will be assuming the obligation, Escrow will create an amendment for all buyer's to sign confirming they understand the terms of the lien and are assuming the obligation.

Contact your Title professional to obtain a copy of the Recorded Lien to see the specific Terms of each obligation. You can also obtain a Tax Sheet showing the HERO lien as it appears on the Tax Assessment.

Understanding and fully addressing these types of liens early in the transaction will prevent delays and issues when the closing occurs and avoids possible post-closing matters related to the lien.

This is a sample of what to look for in Schedule B of your Prelim:

Assessments and other matters as contained in documents entitled Payment of Contractual Assessment Required, recorded July 17, 2015, as Document No.2015-865781, of Official Records and entitled Notice of Assessment, recorded July 17, 2015 as Document No. 2015-865781, of Official Records, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code providing for the assessments of La Hero Program. Said assessments are collected with county taxes. The assessment may be prepaid.

Reference is hereby made to said documents for further particulars.

Amount of Assessment \$31,614.98 starting the 2016 - 2026 Tax year.

NOTICE: IF THIS ASSESSMENT IS TO BE ASSUMED BY THE BUYER IN THIS SALE TRANSACTION, WE WILL REQUIRE WRITTEN CONSENT FROM ALL BUYERS, THAT THEY UNDERSTAND THE TERMS OF THE ASSESSMENT AND HAVE AGREED TO ASSUME THE OBLIGATION.

