

# Warning on Tesla Solar: Tesla Allegedly Trying to Change Its Contracts to Avoid Lawsuits for False Credit Reporting.

*Tesla Solar is Allegedly Trying to Get Its Customers to Sign New Contracts So That Tesla Can Avoid Fair Credit Reporting Act Lawsuits.*

LOS ANGELES, CA, UNITED STATES, March 17, 2021 /EINPresswire.com/ -- [Tesla](#) faces a slew of lawsuits in California over its credit-reporting of customers who have a Solar City Power Purchase Agreement Contract. See, for example, *Chaine v. Tesla Energy Operations, Inc.*, (Central District of California, Case No. 2:20-cv-09082-JFW-GJS).

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Tesla isn't trying to amend its contracts to help consumers. Tesla is amending its contracts to avoid liability for violating the Fair Credit Reporting Act.”

*Robert F. Brennan*

Many Tesla customers were originally customers of Solar City, a company started by relatives of Tesla's Elon Musk. Solar City's contracts provided that consumers would pay for their solar energy based on energy usage measured in kilowatt hours. Before 2016, Solar City either did not

credit-report its customers' accounts to the credit bureaus, or would report only whether the customers were current on their monthly payments.

In 2016, Tesla Energy officially acquired Solar City. Beginning in 2020, Tesla Energy began credit-reporting on Solar City customers estimates of solar payments over a period of 20 years. Tesla Energy customers woke up to find Tesla Energy balances on their credit reports with very high five-figure sums, often exceeding \$50,000.00.

These large sums showing up on consumers' credit reports damaged their credit scores, as it portrayed the consumers as carrying much more debt than they actually had. And, as alleged in the lawsuits pending against Tesla Energy, these credit reports were false and inaccurate.

A leading attorney representing several Tesla Energy customers, Robert F. Brennan, Esq. of Montrose, Ca., explains: “Putting a large loan onto a consumer's credit report is very damaging. An important part of credit scoring is called “utilization ratio,” where potential creditors evaluate how much credit a consumer is carrying vs. their maximum available credit. If a consumer has too high of a ratio, this will sink a consumer's credit score. And, potential lenders will look at a

consumer's outstanding debt amounts—these large loans on their credit reports makes it look like they are carrying a lot more debt than they actually are, which will be damaging any time these consumers apply for credit.”

Brennan explains that there is no reason Tesla Energy cannot credit-report its solar accounts as utility accounts. “PG & E, Dept. of Water and Power, Edison—they report monthly, whether you've made the payment. There is no utility out there that credit-reports an estimate of a customer's future 20 years of utility usage. It's ludicrous.”

Instead of switching over to credit reporting as the utility companies do it, Tesla is now allegedly trying to “bait and switch” its customers into leases with fixed monthly payments. “This switch would probably allow Tesla to credit-report its customers for a 20-year lease, with the high balance on their credit reports, but it's not what the customers signed up for. And, credit-reporting based on actual usage of the solar power system, as if it were a utility account, is a lot more fair. If a consumer moves, takes a vacation, starts using less energy for whatever reason, then the consumer is credit-reported based on the monthly billing and not on some projection of their energy usage 20 years into the future,” comments Brennan.

Brennan warns Tesla Energy customers that they do not have to sign any new contracts with Tesla Energy. If Tesla Energy is falsely credit-reporting them, Brennan recommends that they dispute the credit reporting with the credit bureaus, and if the accounts are not removed or corrected to reflect utility company reporting, then the consumers should consult with an attorney who handles [Fair Credit Reporting Act](#) cases.

“If a Fair Credit lawsuit is successful, the consumer gets money damages as well as an agreement from Tesla to report the loan correctly,” comments Brennan.

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