

# Letting your property

## Consent to Let Conditions

**If we give you our consent to let your property, these are the specific conditions that you will need to follow.**

**These conditions apply in addition to the terms and conditions already applicable when you completed your mortgage, set out in your conditions booklet and your mortgage offer.**

### Interest and other terms of the mortgage

As you'll be aware, your mortgage conditions state that any letting needs to be agreed by us in writing. If your property is let without our consent or outside the terms of our consent, you'll be breaching your mortgage conditions and the basis on which the current rate of interest applies to your mortgage.

We originally granted your mortgage on the basis that you would use the property as your home, so our residential rates and terms currently apply to your mortgage loan.

If you ask for our consent to let your property and we give this then we'll normally allow your mortgage loan to continue to benefit from the existing residential interest rate(s) until they expire. Whilst the property is let, when you come to renew your rate, we'll offer interest rates to match those of our equivalent Buy to Let mortgage loans.

If you have a Santander staff mortgage please call us on **0800 783 9738**.

### The tenancy

#### You must:

- only grant one single tenancy agreement that covers the whole property. If there is more than one tenant, each of them must sign the tenancy agreement and be jointly responsible for the rent;
- only grant a tenancy that is legally enforceable and allows us to recover possession of the property if we become entitled to do so under your mortgage, for instance, if you fall into arrears with your payments;
- only agree a tenancy (or a renewal of a tenancy) that meets the criteria we accept – we've explained these later in this document;
- provide a copy of the letting agreement, or any other documentation or information relating to the tenancy or the property, if we ask you to do so; and
- comply with the legislation relating to holding tenants' rent deposit monies in an approved Tenant Deposit Scheme. A letting agent or solicitor will be able to tell you your responsibilities regarding this.

#### You must not:

- grant separate tenancies over separate rooms or parts of the property;
- allow the property to be let to or occupied by more than four named individuals under one single tenancy agreement. If the property is affected by licencing regulations concerning Houses in Multiple Occupation you should seek legal advice from a letting agent or solicitor.

To protect your interests, and to make sure you can regain possession of your property at the end of the tenancy, we recommend you get a letting agreement drawn up by a solicitor or experienced letting agent. If you use a pre-printed agreement instead, we suggest you complete it with the help of a letting agent or solicitor.

We also recommend you investigate whether any proposed tenants are suitable, for example, by getting appropriate references.

You may also want to employ a reputable managing agent to monitor the condition and use of the property, and to deal with any emergencies.

### Conditions that apply to all types of tenancy

The tenancy agreement must not, and you must not:

- allow the tenant to assign, sub-let, charge or otherwise part with possession or share occupation of all or any part of the property, either with or without your consent;
- charge any premium or up-front payment, other than a rent deposit;
- accept payment of more than three months rent in advance, in any circumstance; or
- let the property to anyone who holds diplomatic immunity.

The tenancy agreement must, and you must:

- require the rent to be paid no more than monthly (or quarterly, but only when the property is let to a company) in advance. You must not agree to any deferment of rent, or payment at any other frequency or on any other terms;

### Consent to Let Fee

Our usual Consent to Let Fee is £295. This fee may vary if your mortgage is on a flexible offset product. You don't have to pay this fee if you are a member of the Armed Forces, as long as you can give us evidence of this.

### Insurance of the property

You must tell the company that insures your property that you plan to let it. If you don't, your insurance company may refuse to pay out if you have to make a claim.

If you have Home Insurance with us, please call our customer helpline on **0800 085 1351**.

If your buildings and/or contents insurance isn't arranged by us, you must get written consent from your insurance company that this cover will still be in force while the property is let.

You must send us details of the current insurance arrangements for your property if we ask you to.

### Paymentcare

If you have Mortgage Payment Protection cover already, you should call on **0208 207 9094** to tell us your change in circumstances, as any change may affect your cover.

- only allow the property to be used as a domestic dwelling for residential purposes;
- bring the tenancy to an end, and obtain vacant possession of the property, at the end of the letting period, or earlier if the tenant breaches any of their obligations under the tenancy agreement;
- obtain any necessary third-party consents to let the property:
  - a) your landlord's prior written consent to let, if the property is leasehold and your lease requires it. You must comply with any conditions of their consent and the conditions of your lease;
  - b) your secured-lender's prior written consent to the proposed letting, if you've used the property as security for a loan with another lender;
  - c) your local authority's or Housing Association's prior written consent if you've purchased your property as a Right to Buy or Right to Acquire within the last 5 years. Their consent is required as a result of the discount granted when you purchased the property;
  - d) your Housing Association's prior written consent if you have a shared ownership or shared equity property;
  - e) a Private Rented Property Licence where this is a local authority requirement; you must send us a copy of this if we ask you to; and
- continue to maintain the property and fulfil all your other obligations under the mortgage.

If you don't comply with any of the above conditions, Santander UK plc won't be bound by the tenancy and the letting will be unauthorised. You would also be in breach of the terms and conditions of your mortgage.

### Acceptable tenancy types

You must make sure that the tenancy agreement includes the appropriate terms and conditions for it to be valid and legally enforceable. In particular, you must make sure the tenancy type is appropriate to the location of the property, for example in respect of a property in England, you must not grant:

- a Short Assured Tenancy
- Private Residential Tenancy
- Standard Tenancy (following implementation of the Renting Homes (Wales) Act 2016 in Wales)

These are the only types of tenancy you can agree. We won't accept any exceptions or variations.

### Lettings to individuals

**In England and Wales** prior to the implementation of the Renting Homes (Wales) Act (2016):

Where the rent **will not** exceed £100,000 per annum:

- An Assured Shorthold Tenancy should be drawn up under the Housing Act 1988 (as amended by the Housing Act 1996):

- a) You must give the tenant(s) written notice before the tenancy begins telling them that possession of the property may be recovered under either Ground 1 or Ground 2 of Schedule 2 of the Housing Act 1988. This notice may be incorporated in the letting agreement.
- b) You must comply with the provisions of the Housing Act 1988, as amended by the Housing Act 1996, when creating the tenancy. If there is a change of tenant, you must give notice to the new tenant before the start of the new tenancy.
- c) The term of each Assured Shorthold agreement must not be more than three years.

Or

Where the rent **will** exceed £100,000 per annum:

- A Non-Housing Act Tenancy should be drawn up with conditions similar to an Assured Shorthold Tenancy, but also include:
  - a) a notice to the tenant that Santander is the mortgagee; and
  - b) a requirement that the tenant must pay the rent direct to Santander and/or vacate the property if Santander gives them notice to do so; and
  - c) the term of each letting agreement must not be more than three years.

#### In Wales following implementation of the Renting Homes (Wales) Act 2016:

- a) a Standard tenancy with any appropriate pre-tenancy notices having been served
- b) for a maximum term of three years granted.

#### In Scotland:

- A Short Assured Tenancy should be drawn up under the Housing (Scotland) Act 1988.
  - a) You must give the tenant(s) notice in writing before the tenancy begins (on form AT5) that the tenancy is a Short Assured Tenancy, and that possession of the property may be recovered under either Ground 1 or Ground 2 of Schedule 5 of the Housing (Scotland) Act 1988.
  - b) The term of each Short Assured agreement must not be more than three years.
- Following implementation of the Private Housing (Tenancies) (Scotland) Act 2016 ("the Act") a Private Residential Tenancy granted under "the Act" with any appropriate pre-tenancy notices having been served. Notice in writing must be served on the tenant(s) before the tenancy begins that the tenancy is a Private Residential Tenancy and that possession of the property may be recovered under Schedule 3 of the Act.

#### In Northern Ireland:

- An uncontrolled tenancy for a maximum of three years should be drawn up in accordance with the legislation contained in the Rent (Northern Ireland) Order 1978; the Housing (Northern Ireland) Order 1983; and the Private Tenancies (Northern Ireland) Order 2006.
- The notice period specified in the tenancy agreement must be a minimum of four weeks.

#### Holiday-only lettings

- Holiday-only lettings are acceptable for properties anywhere in the UK, on the following terms:
  - a) the tenancy agreement must only allow the holiday tenant to occupy the property for the purpose of a holiday;
  - b) The period of any individual tenancy must not be more than 4 weeks; and
  - c) The tenancy agreement must not grant any rights for the tenant to occupy the property as a residence. In particular, it must not create:
    - an Assured or Assured Shorthold Tenancy under the Housing Act 1988 (as amended by the Housing Act 1996) (England and Wales)
    - a Standard Tenancy under the Renting Homes (Wales) Act (2016)
    - an Assured or Short Assured Tenancy under the Housing Act 1988 (Scotland).
    - a Private Residential Tenancy granted under the Private Housing (Tenancies) (Scotland) Act 2016 ("the Act")
    - an uncontrolled tenancy granted under the Rent (Northern Ireland) Order 1978; the Housing (Northern Ireland) Order 1983; and the Private Tenancies (Northern Ireland) Order 2006.

#### Lettings to a company

- You may grant a Non-Housing Act Tenancy directly to a company, if it wants to rent the property from you in its own name, in order to accommodate its employees (overseas staff on temporary assignment to the UK, for example), subject to the following terms:
  - a) the tenancy agreement must include notice to the tenant company that Santander is the mortgagee. It must also include a requirement that the company tenant must pay the rent direct to Santander and/or vacate the property if Santander gives them notice to do so;
  - b) the term of each letting agreement must not be more than three years;
  - c) the tenancy agreement must provide that the property may only be occupied by an employee of the company [but not an owner (shareholder) or director of the company];
  - d) the agreement must stipulate that the company may only allow the employee to occupy the property under personal licence (i.e. to do so only with the permission of the company, which may be withdrawn at will); and
  - e) the tenancy agreement must not allow the company to sub-let, or grant any right of occupation to anyone else. While it is acceptable for you to appoint a letting agent or management company to find and introduce tenants to you, you may not grant tenancies to the company in order for them to find tenants and grant further tenancies of their own.

#### Letting to a local authority/registered social landlord ("RSL")

(e.g. Housing Association)

- You may agree a tenancy to a local authority/RSL, subject to the following:
  - a) Both you and the proposed tenant (the RSL/local authority) **must first complete, sign and return** a Santander Tri-partite agreement. You can ask us for a copy of this.
  - b) You must arrange for the RSL/local authority to sign the agreement before you return it to us. We won't correspond directly with local authorities/RSLs.
  - c) We won't agree to any exceptions or variations to the terms of the Agreement in any circumstances. If the local authority/RSL aren't prepared to execute the agreement as written, then you must not go ahead with the tenancy.
  - d) The term of each tenancy must not be more than three years.

Once you and the authorised RSL/local authority official have signed and returned the agreement, we'll be able to give our consent to the letting of your property to a local authority/RSL. We'll let you know when we've received the agreement.

#### Renewing tenancies

While you have our consent, you may renew tenancies:

- to the existing tenants or to new ones; and
- on a different basis – for example when an Assured Shorthold Tenancy comes to an end, you may choose to let the property for holiday use instead.

You can choose to do either of these, as long as each tenancy agreement you grant complies with the terms of our consent, as outlined above.

#### Withdrawal of our consent

We reserve the right to withdraw our consent for you to let the property, or to vary the terms on which you may do so, if in our reasonable opinion you breach the terms on which we have permitted the property to be let or otherwise breach the terms of the mortgage. If we do this, we'll give you adequate notice and any current tenancy will normally be allowed to continue until it expires.

In giving you our consent for you to let the property, we don't provide any representation or warranty that the terms of our consent or the forms of tenancy agreement we accept are suitable or appropriate, either generally or in your particular case.

You must be satisfied that any agreement you enter into is suitable for your needs. Once again we recommend you get legal advice from a letting agent or solicitor before entering into any tenancy contract.