



Permission to Let Guide

DUDLEY BUILDING SOCIETY

2018



Permission to Let – To Qualify

Thinking of letting your property out and not sure where to start? This Permission to Let guide provides all the information you need prior to making a decision.

- The rent you expect to receive must cover the monthly mortgage payment (don't worry – we can help you calculate this)
- The Permission to Let process will not affect your current mortgage terms and conditions. If you wish to consider a product switch, term or repayment type change, or any additional borrowing this will be classed as a post-contract variation and any existing Early Repayment Charges (ERCs) may apply
- You should not be planning to let your property for any commercial activity (e.g. holiday let)
- The Loan to Value on your mortgage must not be higher than 75% (outstanding balance divided by the market value of the property as a percentage)
- Qualification would be subject to acceptable credit searches and affordability checks
- You are able to provide 3 months bank statements and proof of income



Before you make the decision to obtain Permission to Let

- You must be happy for us to undertake a credit check on all borrowers linked to the mortgage
- You recognise that to reflect the additional requirements of supporting the change in mortgage payment, an increase of 1% (capped at the Society's variable Buy to Let rate) on top of your current rate will be applied and you agree this increase will be affordable
- You are happy to submit a budget planner so that we are able to assess the affordability of the change to your mortgage
- You agree to pay a Permission to Let fee (this can be added to your mortgage balance or paid up front) If you choose to add the fee to your mortgage balance, the fee will accrue interest. You can find details of the fee in the List of Charges on our website
- You understand the tax implications and responsibilities of a landlord when letting a property (refer to the next section for more information)
- You will need to get in touch with us to let us know about your consideration to let your property. We will also be able to provide you with an illustration of what your revised payment is likely to be

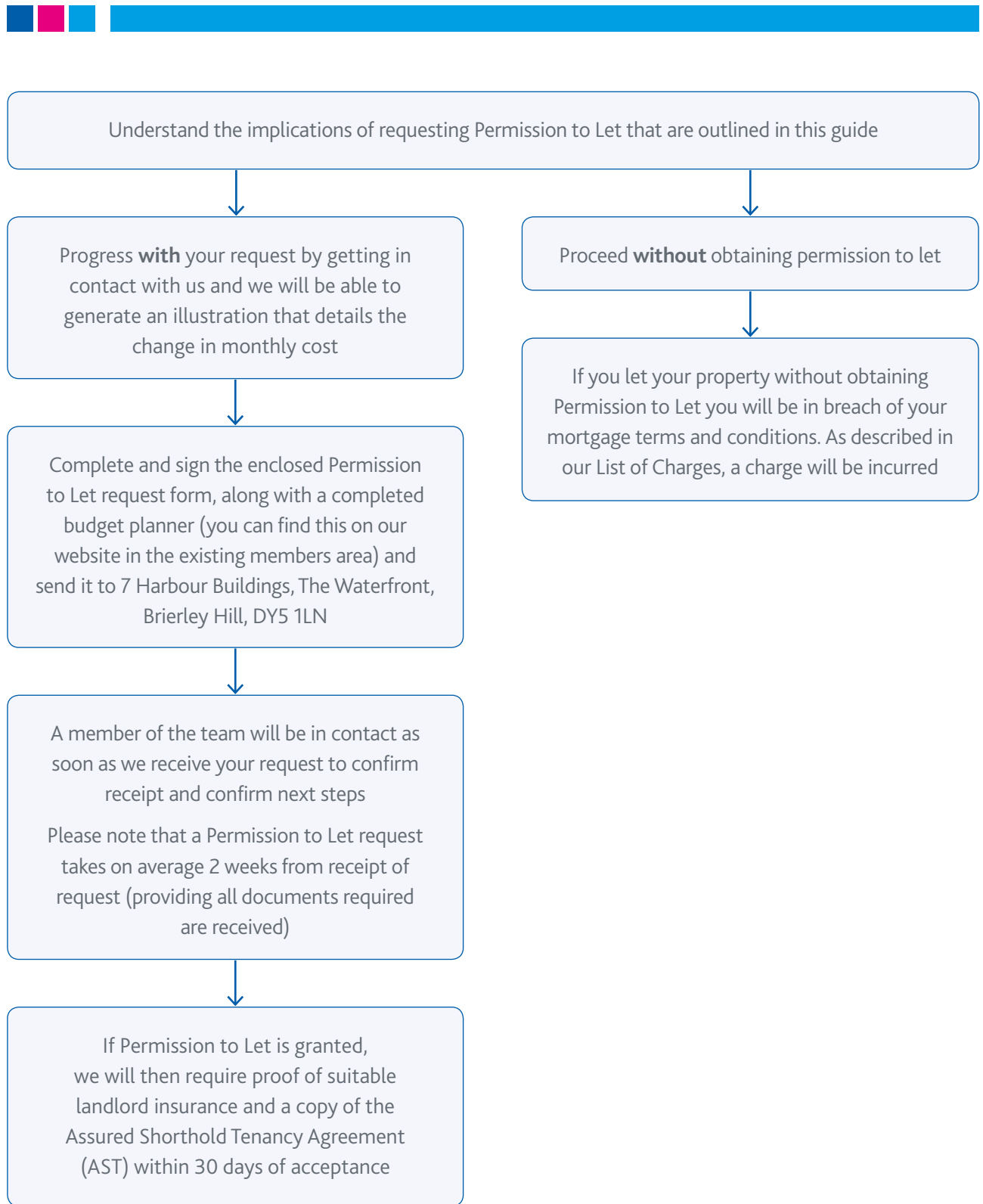


If your request is successful there are a few things to remember

- You may want to make arrangements with a management agency regarding other matters such as finding a tenant, holding your tenants deposit via the Tenant Deposit Scheme (TDS) which is a mandatory requirement for all landlords, chasing any unpaid rent and undertaking regular property inspections. It can be worth shopping around to ensure all of your needs are met
- You are required to provide an Energy Performance Certificate explaining how energy efficient your property is. A qualified Domestic Energy Assessor will be able to undertake this work for you. For a list of certified assessors please see <https://www.epcregister.com/searchAssessor.html>
- You are required by law to ensure all gas appliances are inspected annually by a Gas Safe registered engineer. To find a suitably qualified Gas Safe engineer in your area please see <https://www.gassaferegister.co.uk/>
- You are required to have Landlord Insurance (we can put you in contact with our trusted third party advisors at Concept Financial Services if required)
- You are required to pay tax on the income you receive on rental property. You may choose to seek specialist advice from a financial adviser or an accountant. If you would like to be introduced to our trusted third party advisors Concept Financial Services Limited please let us know via the form on our website, by calling us on 01384 231414 or emailing enquiries@dudleybuildingsociety.co.uk
- The Society will require a completed Assured Shorthold Tenancy Agreement (AST) in all circumstances, regardless of who the tenant is
- We will provide details of your updated mortgage by illustration, including how much you are required to pay each month
- You are still responsible for making all monthly payments



The Process



Notice to Borrowers Requesting Permission to Let

General

Dudley Building Society agreed your mortgage advance on the basis that you will occupy the property. In certain circumstances consideration may be given to a request to let the property, however, Dudley Building Society reserves the right to refuse a request without giving any reason.

If the Society consents to a letting we reserve the right to amend the terms of the mortgage, increase the rate of interest and charge a fee for approving a tenancy agreement. You will be advised of these changes when we communicate our decision regarding your application to let.

You must make adequate arrangements for management of the property during the letting. You will remain responsible for all mortgage conditions and covenants for the duration of the letting. Mortgage payments must be maintained.

You are advised to seek independent legal advice from a suitably qualified person in any event and in particular if you have a second charge registered on the property, or if the property has benefited from a Local Authority grant for improvement/repairs within the last five years, or if the property is leasehold or purchased under 'Right to Buy' legislation within the last five years.

Your buildings and contents insurance cover may change by letting the property. You must notify your insurance company that you are letting the property.

When the agreed letting period has expired, you must obtain new approval in order to continue letting the property. Ceasing to occupy the property and the granting of any tenancy without the prior written consent of the Society is expressly prohibited under the terms of the legal charge.

If you have a mortgage payment protection policy which covers you for accident, sickness and unemployment, it is normally a condition of the cover that you are not letting the property and are permanently resident in the UK. Please refer to your policy document which confirms the cover provided. You may need to discuss your situation with the insurance company providing cover.

Letting Terms

Lettings in England and Wales must be Assured Shorthold Tenancies under the Housing Acts 1988 and 1996.

Additionally, in accordance with the Housing Act 2004, Landlords must comply with any Local Authority or other licensing requirements and restrictions.

Where a deposit is taken from a tenant, all the requirements under the Housing Act 2004 must be complied with.

All Tenancy Agreements must include a clause that your tenant must remain in occupation and is not allowed to sub-let the property.

A tenancy involving diplomatic status tenants is not allowed.

If at any time you re-occupy the property you must advise us in writing of the date of re-occupation. The mortgage product applicable when you vacated the property will be reinstated from the first of the month following receipt of your written notification. If that product has reached its end date the Society's standard variable rate will be applied and we will contact you to discuss our current product range. If you fail to advise us that you have re-occupied the property, the letting interest rate will continue to be applied.

Permission to Let Request Form



This confirms your request to let your residential property.

Before you are able to let your property you must obtain our express permission. If permission is not obtained you will be in breach of your mortgage terms and charges will be incurred.

1) Your details

Mortgage account number:

Borrower name(s):

Contact number:

Contact email:

2) Please explain the reason for your request to let your property

3) Are you planning to reoccupy the property in the future? If so, when do you expect this to be?

4) When do you intend to vacate the property?

5) Future correspondence address and telephone number?

Permission to Let Request Form *(continued)*



6) What is your expected income from the property once it is let?

7) Will the rental income cover the monthly cost of your mortgage payment?
(once a 1% increase has been applied to your current mortgage interest rate)

8) Are you in the process of becoming bankrupt or entering in to an IVA or have a debt management plan in place?

Yes No

If Yes; please give the details of your bankruptcy/IVA practitioner

Are they aware that the rental income from your property may be used to meet your mortgage payment?

Yes No

9) I would like to be introduced to the Society's trusted financial advice partner Concept Financial Solutions Limited.

Yes No

Checklist



You have read and understood the Notice to Borrowers Requesting Permission to Let

You have completed all fields on the Permission to Let form

All borrowers linked to the mortgage have consented for a credit search to be undertaken, signed and dated this form

You have enclosed any suitable supporting documentation

You have completed, signed and enclosed a Society budget planner (this is available in the member area of our website)

You have enclosed 3 months' banks statements that provide proof of expenditure

You have enclosed 3 months' proof of income e.g. pay slips

You are aware of the impact to the monthly payment (this will be outlined in the mortgage illustration that will need to be signed separately)

Contact Us



Telephone: 01384 231414

Email: enquiries@dudleybuildingsociety.co.uk

Post: Dudley Building Society, 7 Harbour Buildings,
The Waterfront, Brierley Hill, West Midlands, DY5 1LN.

www.dudleybuildingsociety.co.uk



Your Personal Information and what we do with it

Our Society takes its responsibilities for data management very seriously and we have thoroughly detailed our approach to how we collect and use information on the 'Privacy' page on our website. This explains how we collect and manage personal information and what we do with it. Please visit www.dudleybuildingsociety.co.uk/privacy for more information, alternatively you can request an electronic or paper copy of our privacy statements by:

Telephone: 01384 231414

Email: enquiries@dudleybuildingsociety.co.uk

Post: Dudley Building Society, 7 Harbour Buildings, The Waterfront, Brierley Hill, West Midlands, DY5 1LN.

We can be contacted at any time if you have queries about this privacy notice or wish to exercise any of the rights mentioned in it by writing to us at The Secretary, Dudley Building Society, 7 Harbour Buildings, The Waterfront, Brierley Hill, DY5 1LN.

This privacy notice may be updated from time to time. You should check www.dudleybuildingsociety.co.uk/privacy regularly so that you can read the up to date version.

How do we share your information with Credit Reference Agencies?

In order to process your application, we will perform credit and identity checks on you with one or more credit reference agencies ("CRAs"). To do this, we will supply your personal information to CRAs and they will give us information about you. This will include information from your credit application and about your financial situation and financial history. CRAs will supply to us both public (including the electoral register) and shared credit, financial situation and financial history information and fraud prevention information.

We will use this information to:

- Assess your creditworthiness and whether you can afford to take the product;
- Verify the accuracy of the data you have provided to us;
- Prevent criminal activity, fraud and money laundering;
- Manage your account(s);
- Trace and recover debts; and
- Ensure any offers provided to you are appropriate to your circumstances.

We will continue to exchange information about you with CRAs while you have a relationship with us. We will also inform the CRAs about your settled accounts. If you borrow and do not repay in full and on time, CRAs will record the outstanding debt. This information may be supplied to other organisations by CRAs.

When CRAs receive a search from us they will place a search footprint on your credit file that may be seen by other lenders.

If you are making a joint application, or tell us that you have a spouse or financial associate, we will link your records together, so you should make sure you discuss this with them, and share with them this information, before lodging the application. CRAs will also link your records together and these links will remain on your and their files until such time as you or your partner successfully files for a disassociation with the CRAs to break that link.

Signatures



In consideration of Dudley Building Society's consent to my/our request to let the security property, I/we agree that Dudley Building Society, its successors or assignees may exercise my/our rights under any letting agreement as my/our agent, in particular to either terminate that agreement or receive any rent payable under it and that this ability shall continue so long as the property is let.

I/we understand that these rights will only be exercised in the event that I default on making any payment due under the mortgage to Dudley Building Society.

I/we acknowledge that I/we have read the accompanying 'Notice to borrowers requesting permission to let' leaflet and agree to abide by its terms.

I/we have read and understood the Society's Privacy Notice found at www.dudleybuildingsociety.co.uk/privacy

Applicant 1

Name:

Consent to Credit Search:

Signature:

Date:

Applicant 2

Name:

Consent to Credit Search:

Signature:

Date:

Applicant 3

Name:

Consent to Credit Search:

Signature:

Date:

Applicant 4

Name:

Consent to Credit Search:

Signature:

Date: