

# Acceptable Lettings Policy

## 1. How this policy works

- 1.1. This policy applies only if you have a buy-to-let mortgage with us.
- 1.2. This policy should be read alongside all other important documents which we provide you with, and which collectively make up your agreement with us, including but not limited to:
  - a) your Mortgage Offer, which sets out the main financial terms of your mortgage;
  - b) the Mortgage Conditions (the Conditions);
  - c) the Mortgage Deed, under which you give us security over your Property; and
  - d) our tariff of fees and charges, which explains what additional fees and charges you may have to pay, over and above your monthly payments.
- 1.3. We often use words or phrases that have special meanings. These reflect the definitions and explanations we have provided in the Conditions. Please review the Conditions when reading this policy, as it sets out key definitions and terms needed to understand the content that follows.

## 2. Additional terms

- 2.1. In addition to complying with the Conditions, you must make sure that:
  - a) you comply with the terms of this policy;
  - b) all tenants sign the tenancy agreement;
  - c) throughout the Mortgage Term the monthly rental payments comply with the requirements set out in your Mortgage Offer;
  - d) you make suitable arrangements for management of the Property;
  - e) you comply in all respects with your legal obligations in respect of letting the Property, including without limitation:
    - i) issuing and keeping copies of any tenancy agreements;
    - ii) issuing and keeping copies of any required notices to tenants;
    - iii) registration with any required databases for renting out property (and ensure that they remain registered);
    - iv) protection of tenant deposits;
    - v) that the property is fit for habitation and complies with all applicable standard relating to health and safety, gas, electricity and water standards, energy performance and other legal standards;
    - vi) give us access to information about you and the Property, including from the borrower's records, official databases, local authorities or regulators, where permitted
  - f) you give the tenants written notice that:
    - i) you have mortgaged the Property;
    - ii) as the mortgage lender, we can take possession of and sell the Property under the terms of the Mortgage in certain circumstances; and
    - iii) if we sell the Property under the terms of the Mortgage, they will need to move out in line with the statutory or contractual notice they receive from us;
- 2.2. You must not require or accept rent payable more than one month in advance, without our prior permission

## 3. Your letting agreement

- 3.1. Your letting agreement must be in writing and in a form which meets the legal rules which apply to it.
- 3.2. Where the law allows this, the letting agreement must:
  - a) clearly state that CHL Mortgages has a right to take possession of the Property if it becomes entitled to do so under the Mortgage; and

- b) stop your tenant from staying in the Property after the letting agreement comes to an end (for example by excluding any succession rights, security of tenure or rights to remain in your property after the letting agreement ends).
- 3.3. Where the tenancy agreement is for a Property located in England, be in writing and:
- a) state that it is an assured shorthold tenancy for a fixed term of up to 12 months (or, where the tenancy is entered into on or after 1 May 2026, it is an assured periodic tenancy);
  - b) require that the tenant will:
    - i) only use the Property as their home and not for any business;
    - ii) keep the Property in good repair and condition; and
    - iii) pay rent either monthly, weekly, or at another regular interval, provided that the rent period is less than 28 days.
  - c) state that you can end the tenancy at the end of any fixed term (where applicable), or end it early if the tenant has breached any term of the agreement.
- 3.4. Where the tenancy agreement is for a Property located in Wales, be in writing and:
- a) (in the case of an existing tenancy entered into before 15 July 2022) was created on a standard assured shorthold basis and that, following automatic conversion into an occupation contract under the Renting Homes (Wales) Act 2016 (RHWA) on 15 July 2022, a written statement of compliance with the requirements of the RHWA was issued to the occupier within six months; or
  - b) (in the case of an existing tenancy entered into on or after 15 July 2022 or of a future tenancy) is a single occupation contract for a fixed term of up to 36 months or a periodic term, which is a standard occupation contract within the meaning of the RHWA and contains a break clause allowing the landlord to terminate on 2 months' notice, in accordance with the RHWA; and
  - c) in all cases, clearly state (i) that it excludes any rights of succession in the RHWA; and (ii) where relevant, the terms which will apply if the occupier remains in occupation post expiry of the fixed term, in compliance with the RHWA.
- 3.5. Some legal rules require you to give the person who rents your property written notice that we have a mortgage over your property. It is important that you do this.
- 3.6. Unless otherwise agreed by us, the Property must only be used as a home by the person(s) who has rented it from you.

## **4. Changes to this policy**

- 4.1. We may change the terms of this policy if it is reasonable to do so to:
- a) help comply with any legal or regulatory requirements;
  - b) help comply with any change in how laws and regulations are applied or interpreted, for example, to take account of any decision by a court or ombudsman;
  - c) where changes to systems (including technological changes) result in changes to the way we (or a third party on our behalf) administer your Mortgage or operate accounts;
  - d) to reflect best practice in the administration of your Mortgage;
  - e) to introduce new services or features to your Mortgage, or make improvements to the services we provide you;
  - f) to reflect any change in the cost to us of providing our services to you;
  - g) to correct any errors; or
  - h) where a change would be in your interests or not cause you any detriment.
- 4.2. We will make sure that any change is proportionate to the reason for making it and we will give you reasonable advance notice of any change.