

Consent to Let FAQs

If your personal circumstances have changed and you've decided to rent out your home, then you **MUST** obtain consent to let from these organisations and individuals:

- Your mortgage provider
- Your Landlord Insurance company
- Your head lessee of freehold (if your property is leasehold)
- Your co-owner, if any

Mortgage provider

Q. What happens if I don't tell my mortgage provider that I intend to let my home?

A. If you don't tell your mortgage provider, you'll probably be in breach of the terms of your mortgage agreement. Theoretically, if the mortgage provider then discovered that you were renting out your home, they could refuse permission to let the property and request that you pay their money back. You'd then need to find another mortgage provider and take out a buy-to-let mortgage. Be aware that if the loan to value rate is lower than for your previous residential mortgage, you may have to put in some capital to make up the difference. And if the rental returns given on the surveyor's report are below a certain level, you may find it difficult to get a buy to let mortgage at all.

Q. What will happen once I tell the mortgage provider of my intention to let?

A. Mortgage providers may give you permission to let. Depending on the provider, you may be charged an administration fee. The mortgage interest rate will either remain at the same level or be increased. Mortgage companies often require you to let the property under an assured shorthold tenancy agreement (typically lasting six months).



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Insurance company

Q. What happens if I don't tell my insurance company of my intention to let?

A. Failure to inform your insurance company of your intention to let could invalidate your insurance or leave you under-insured. This means that you could be personally liable for any claim made against you.

Q. What will happen once I've informed my insurance company of this change to my residential property?

A. As a landlord you'll be required to take out appropriate Landlord Insurance cover.

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Head lessee of freehold

Q. What happens if I don't tell the head lessee that I'm going to rent out the property?

A. Failure to inform the head lessee could mean that you're in breach of the leasehold agreement and the head lessee may take legal action against you.

Q. How do I know if the head lessee has consented?

A. Request consent to be confirmed in writing.

Co-owner

Q. What happens if I don't tell my co-owner of my intention to let our home?

A. Failure to inform your co-owner of your intention to let could result in them taking legal action against you. Be sure to obtain their consent in writing.

Once you have complied with your financial, legal and insurance obligations and obtained the necessary consents to let, you can start reaping the financial rewards of your property investment.



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