



Permission to Let Guide

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) plus 25%
- The Permission to Let process will not affect your current mortgage terms and conditions. If you wish to consider a term or repayment type change, or any additional borrowing this will be classed as a post-contract variation, which will need advice and a new mortgage and any existing Early Repayment Charges (ERCs) may apply
- You should not be planning to let your property solely for commercial activity. Holiday lets are acceptable (either part of, or the entire property)
- 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)
- The mortgage must have been held for at least 12 months
- There are different requirements for borrowers in the armed forces. Please contact us if you are in the armed forces
- We won't consider a request if the property is to be let to a family member

Before you make the decision to obtain Permission to Let

- 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. You can find a budget planner at dudleybuildingsociety.co.uk/mortgages/existing-customers/useful-mortgage-documents
- You agree to pay a Permission to Let fee. 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
- You need to ensure you have relevant permission and that there are no restrictions, e.g. for leasehold properties, consent is required from the freeholder or a Right to Buy property where you have been given a discount your local authority will need to approve your request.



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 tenant's 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. Any property that is let must have a minimum energy rating of E. A qualified Domestic Energy Assessor will be able to undertake this work for you. For a list of certified assessors please see epcregister.com/searchAssessor
- 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 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 can also obtain insurance to cover rental voids, providing you with extra peace of mind
- You are required to pay tax on the income you receive on rental property. You may choose to seek specialist advice from a financial advisor 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
- Upon request, The Society will require a completed Assured Shorthold Tenancy Agreement (AST), 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.

AS A LAST RESORT, YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP WITH PAYMENTS.





The process

Step 1

Understand the implications of requesting Permission to Let that are outlined in this guide. Please make sure you do qualify to make the request (see criteria on page 1)

Step 2

Progress with your request by getting in contact with us and we will be able to generate an illustration that details the change in monthly cost.

Step 4

A member of the team will be in contact as soon as we receive your request to confirm receipt and confirm next steps.

Please note that a Permission to Let request takes on average 2 weeks from receipt of request (providing all documents required are received).

Step 3

Complete and sign the enclosed Permission to Let request form, along with a completed budget planner (you can find this on our website in the existing members area) and send it to 7 Harbour Buildings, The Waterfront, Brierley Hill, DY5 1LN.

Step 5

If Permission To Let is granted, you will need to ensure you have obtained suitable landlord insurance and can evidence, if required, a copy of the AST.

If you let your property without obtaining Permission to Let, you will be in breach of your mortgage terms and conditions.

As described in our List of Charges, a charge will be incurred. This will be in addition to the standard Permission to Let additional mortgage loading fee.

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 particular if the property: has a second charge registered on it; has benefited from a Local Authority grant for improvement/repairs within the last five years; is leasehold; was purchased under 'Right to Buy' legislation within the last five years; is shared ownership.

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

If at any time you re-occupy the property, you must tell us in writing of the date of re-occupation. We will ask you for documentation to support this if you fail to tell 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:

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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?

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)
We can help you calculate this.**

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) Would you like to be introduced to the Society's trusted financial advice partner Concept Financial Solutions Limited?

Yes ☐ No ☐

Check list

- ☐ You have read and understood the Notice to Borrowers Requesting Permission to Let
- ☐ You have completed all fields on the Permission to Let form
- ☐ You have enclosed any suitable supporting documentation
- ☐ You have completed, signed and enclosed a Society budget planner (You can find a budget planner at dudleybuildingsociety.co.uk/mortgages/existing-customers/useful-mortgage-documents)
- ☐ 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)
- ☐ You have enclosed the relevant fee (see List of Charges on our website)



Visit us at:

dudleybuildingsociety.co.uk



Email us on:

enquiries@dudleybuildingsociety.co.uk



Call us on:

01384 231414



Write to us at:

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



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 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 or 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 dudleybuildingsociety.co.uk/privacy regularly so that you can read the up to date version.



Signatures

An electric signature is not acceptable.

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 [dudleybuildingsociety.co.uk/privacy](https://www.dudleybuildingsociety.co.uk/privacy)

Applicant 1

Name:

Signature:

Applicant 2

Name:

Signature:

Applicant 3

Name:

Signature:

Applicant 4

Name:

Signature: