

Consent to letting application guidance notes

These notes are intended to provide guidance on Virgin Money's consent to let policy and they do not constitute legal or financial advice to you.

Under the terms and conditions of your mortgage, you **must** obtain our formal written consent prior to letting your property. We are not obliged to give our consent to you letting your property out.

If we refuse our consent and you still let your property out you will be in breach of your mortgage conditions and we reserve our right to pursue the remedies available to us which could include repossession.

Consent to Let application forms must be signed by all parties named on the mortgage account. Please read this document carefully before submitting your application.

Letting criteria

Virgin Money will consider your request subject to the following criteria:

- The mortgage has not completed within the last six months.
- The mortgage is not subject to a guarantor.
- The letting agreement is self financing i.e. the rental income must cover 125% of the mortgage interest, calculated at a notional rate of 5% or the product rate + 1%, whichever is the higher.
- The tenancy is arranged on an acceptable tenancy agreement for your property's location. Accepted tenancies are: assured shortholds (England); standard contracts (Wales); within the Private Housing (Tenancies) (Scotland) Act 2016; or a private tenancy which is not protected or statutory under the Private Tenancies (Northern Ireland) Order 2006.
- The term specified in the agreement must not exceed 12 months and all parties to the loan should be named as landlords. If already in place, a copy of the tenancy agreement must be provided for confirmation.
- The request is not for any form of holiday let, bed and breakfast, guesthouse or to let out part of the secured property such as an annexe or cottage within the grounds.
- The request is not to let to local councils/authorities or housing associations.
- The loan to value of the mortgage does not exceed 80%. This can be calculated using '*the outstanding balance of the mortgage account divided by the current value of the property (%)*'.
- Where the loan to value is greater than 75%, the maximum loan size is £350,000.
- For loans greater than 75% LTV, the minimum property value is £100,000.
- Full monthly payments have been maintained.
- Consent may also be subject to a satisfactory credit assessment.
- Corporate Lets are outside our normal lending policy, however, consideration can be given on an individual basis by our Underwriting Department on receipt of the proposed tenancy agreement.

Please note, whilst letting your property you are unable to switch to another Virgin Money mortgage deal, or take out additional borrowing.

If you are a member of the armed forces, and have an active posting, some exceptions apply. You will still be able to take out a new deal whilst renting out the property, as well being able to rent your property out within six months of completion of the mortgage.

Fees

If the property is let for one year or less, you will incur a Consent to let fee of £125. This fee is due at point of application. To pay the fee you can either forward a cheque, made payable to Virgin Money quoting your mortgage account on the back of the cheque or call our Contact Centre and make a debit card payment.

Please note — this fee is non-refundable should you decide not to go ahead. No fee will be charged if consent to the letting is declined the fee will be refunded.

Rate of interest charged

The rate of interest charged to your loan will remain unchanged. If you currently have one of our mortgage products, you will be eligible to remain on that product until the normal expiry date. At this time the interest rate charged will revert to our standard variable rate.

Insurance

If you hold buildings and contents insurance on this property you should review it to make sure it continues to provide the cover you need. It is also important that you update your insurance provider of your change in circumstance, as failure to notify them may result in your insurance becoming invalid.

Leasehold properties

If your property is leasehold, the lease may prohibit you from letting or require that you obtain the consent of the freeholder. If such restrictions are not strictly observed you may be in breach of your covenants under the lease. This could potentially result in the freeholder commencing forfeiture proceedings.

Your property may be repossessed if you do not keep up repayments on your mortgage.