

Frequently Asked Questions – Guarantors

We often get asked the same questions by tenants and parents when it comes to signing the Guarantor document. We hope this document answers the questions you have but if it is not included here please don't hesitate to ask.

Who can be a Guarantor?

We recommend that tenants' parents are each asked to guarantee the contract. Guarantors need to be in employment and a UK resident, a UK property owner and over 25 years old.

Is the Guarantor guaranteeing everyone under the contract?

Guarantors are guaranteeing all unpaid sums that become due under the contract, **which is the same liability as undertaken by each tenant**. We take Guarantors from all of the tenants in all our properties as do the vast majority of landlords and agencies. We will not sign a contract until all Guarantors are in place as it is only fair on the tenants who have provided a Guarantor.

Could my Guarantor be responsible for the whole contract?

For the full liability above to become liable to just your guarantor, all the tenants would have had to have paid no deposit or rent from day 1 of the tenancy and damaged the house but furthermore the house would have to be unable to be rented for the rest of the year (extremely unlikely in Cathays) and us not be able to trace any of the other parents who have signed the guarantee (also extremely unlikely).

Whilst your guarantor guarantees all sums under the contract as it is a **joint and several liability** contract the risk is actually very low in our experience. We have been landlords for 20 years and have 68 tenants per annum across our houses. During the past 20 years we have only once had to take court action and even on that occasion the student paid without us calling on a parental guarantee.

What is Joint and Several Liability?

Definition: *“Joint and Several Liability provides the creditor with the assurance that each of the signatories to the agreement will be held 100% liable for the full outstanding debt, in the event that one of the signatories is unable or unwilling to continue making the scheduled payments.”* In short, all tenants are jointly responsible for all sums due under the contract, and individually responsible. This is standard practice in contracts containing more than one tenant.

What happens if one of my housemates drops out or fails to pay?

For example, in the event of one of the tenants failing their course and dropping out of university, that tenant and the group as a whole would try to find a replacement and we would of course provide assistance in finding a new tenant as we do not like to see our students struggle with rent. It is not in our interest as we like our tenants to pay on time and enjoy their university experience, after all we were students once so we

know what it is like! What happens in these circumstances is that we have lots of calls, especially in August and January, from international, late entrance and placement students requiring a room for 6 or 12 months.

In the event of a tenant not paying, we would of course then pursue the tenant in question, and their guarantor, before asking the other tenants to pay. Our preference is to go to small claims court to retrieve the lost rent from that person.

However – it is important to understand that you are signing a legal and binding contract with other people, so you must be confident yourself that they are trustworthy, creditworthy and are very likely to pay not only their portion of the rent, but also their share of the bills.

What happens if I change my mind after the contract is signed and I do not want to move in (or cannot move in as I have left my course?)

You and your group must then find a suitable replacement with a valid UK Guarantor. We will provide assistance with advertising through our website but the responsibility lies with the tenants. The tenants will then sign a new contract with the new person's details and only at this point are you released from the contract. This is why it is imperative to inform us of any intention to not take up residency at the earliest opportunity, because we can help in a search for a new housemate.

One person cannot give 'notice to quit' on a group contract, or simply hand their keys back and move out. A new contract needs to be signed which then supersedes all previous to it.

I live outside of the UK and therefore cannot provide a UK Guarantor / What if I can't provide a Guarantor?

We must take a UK Guarantor for each tenant and will not sign the contract with the group until all Guarantors are in place. This is only fair on the other tenants in the group. The tenant could ask one of their new housemates' parents to provide a guarantee for them as well, (with this of course being the risk of the Guarantor). We would accept the same Guarantor for multiple tenants. Should a tenant not be able to provide a legitimate UK Guarantor, then we would ask for their portion of the rent for the year in advance. This is also common practice within letting agencies in order to protect the other tenants under the contract as well as the Landlord.

Why do I need to provide identification?

It is always good practice to ask for identification of our tenants and their guarantors, to ensure for the security of the landlord and other tenants in the house that the person is who they say they are. The law is changing and in certain parts of the UK, "Right-to-Rent" checks must now be carried out by landlords and agencies, to ensure that the tenant has a legal right to be in the UK. In order to comply with this law when the roll-out reaches Wales, Morgan Properties is already changing its processes to ask for Identification for all parties before the contract is signed.