

## IMPORTANT NOTICE

This Guarantor Agreement creates a binding legal contract. You should read the explanatory notes provided with this agreement. If you do not fully understand the nature of the agreement, then it is recommended that you take independent legal advice before signing.

# GUARANTOR AGREEMENT

## for residential lettings

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### Important Notes

**This is a contract by which the Landlord agrees to grant a tenancy in consideration of the Guarantor's agreement to act as surety for that tenancy agreement.**

- This agreement is for use with the letting of residential property and their associated tenancies. As such, this is a legal document and should not be used without adequate knowledge of the law of landlord and tenant. The Landlord or Agent should consult the Letting Centre's Guarantor Agreement Drafting and Guidance Notes before use.
- It is important that a copy of the tenancy agreement is attached to this Guarantor Agreement and that the Guarantor is given adequate opportunity to read both documents. The Guarantor should read and understand the obligations of the tenancy and guarantee before signing.
- If the Guarantor is not able to be present in person to sign the Guarantor Agreement, it is recommended that the Guarantor Agreement is signed at least seven days before the tenancy is due to start.
- Where the tenancy has been granted before the Guarantor Agreement has been signed, the Guarantor Agreement should be signed as a Deed of Guarantee (see form G02).
- This Guarantor Agreement relates to the named tenancy agreement and may not bind the Guarantor to any substantial amendments of the tenancy - especially those which might be prejudicial to the Guarantor. The Guarantor's consent should be gained before undertaking any substantial amendments of the tenancy.
- The law allows a tenant to stay on at a property beyond the agreed tenancy term. Under this agreement, the Guarantor may continue to be liable for any default under the tenancy after the landlord has given notice and until the tenant has vacated.
- The Letting Centre Guarantor Agreement includes a safety clause to assist with a situation where the tenancy has become periodic or there is a delay in signing a new or replacement agreement with a notice provision for the Guarantor. However, periodic tenancies or roll-on tenancies are best avoided and we advise that a new fixed term is granted and a new Guarantor Agreement is signed for the end of each fixed term.
- For joint tenancies, unless otherwise agreed, the Guarantor will be jointly and severally liable for the default of any of the joint tenants under the tenancy agreement. Where there is more than one Guarantor the Guarantors will be jointly and severally liable for the default of the tenants for any breach of terms under the tenancy agreement.
- This agreement has been drawn up after consideration of the Guidance on Unfair Terms in Tenancy Agreements originally published by the Office of Fair Trading which has now been adopted by the Competition and Markets Authority.

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***N.B. These Important Notes are for guidance only and help to explain the law of guarantees. These notes do not form part of this contract of guarantee.***



THIS AGREEMENT is made BETWEEN the Guarantor and the Landlord

**Guarantor:**

**Address:**

**Landlord(s):**

**Address:**

**Tenant(s):**

**Property**

**Rent:**

**Tenancy Commencement Date:**

**1. Guarantee.** The Landlord agrees to let the Property to the Tenant(s). In consideration of this, the Guarantor agrees to act for the Tenant should the Tenant fail, for any reason, to meet the financial commitments arising from the Tenancy Agreement entered into in respect of the Property. Where there is more than one Tenant under the Tenancy Agreement, the Tenant(s) are jointly and severally liable with all other tenants to pay the Rent in full and comply with the terms of the Tenancy Agreement

**2. Scope.** This Guarantor Agreement applies to the tenancy referred to above and any contractual continuation of that tenancy or any statutory periodic tenancy that arises after expiry of the fixed term. All references to the Landlord herein shall be deemed to include the Landlord's Agent or any person authorised to act on the Landlord's behalf

**3. Rent Liability.** The Guarantor undertakes to pay to the Landlord from the date of this Agreement from time to time the Rent within 10 days of receipt of a written demand from the Landlord or his Agent addressed to the Guarantor if the Tenant following demand has not paid the amount being demanded when it was due under the Tenancy Agreement. For the avoidance of doubt, the Rent will include any and all increases in rent levied in accordance with the Tenancy Agreement

**4. Other Liabilities.** The Guarantor shall pay and make good to the Landlord on receipt of a written demand all reasonable losses, damages and expenses of the Landlord incurred as a result of default by the Tenant in the performance or observance of the Tenant's covenants under the Tenancy Agreement. Any failure of the Landlord in demanding or collecting the Rent when it falls due, and any time to pay which may be given to the Tenant by the Landlord shall not release the Guarantor or in any way affect the liability of the Guarantor under this agreement

**5. Cancellation.** If the tenancy is for a fixed term, then this guarantee applies for the whole of the term and is not revocable during that term

**6. Continuation of Guarantee.** If the tenancy is periodic or has become periodic by agreement or the operation of law, then this guarantee will continue. In this case, the Guarantor is required to give six months' written notice to terminate the Guarantee. Such notice to terminate the Guarantee may only be given during the periodic tenancy

**7. Variations.** The Guarantor will not be released from the liabilities arising under the Tenancy Agreement and the Guarantee by any variation or amendment to the terms of the Tenancy provided that such variations or amendments are insubstantial and not prejudicial to the Guarantor. Should the Guarantor die during the currency of this agreement, the Guarantor's estate will be liable as surety and co-principal debtor

I / We\* confirm that I / We\* have received a copy of the Tenancy Agreement and a copy of the 'Explanatory Guidance Notes for the Guarantor.' *\*delete as appropriate*

**Signed by the Guarantor:**

**Name (BLOCK CAPITALS):** [Manually re-type name in block capitals]

**Address:**

**Tel No.:**

**Occupation:** [Insert Guarantor Occupation]

## EXPLANATORY GUIDANCE NOTES FOR THE GUARANTOR

- This Guarantor Agreement creates a binding legal contract. You should read and understand the obligations of the Tenancy Agreement and this Guarantor Agreement. If you do not fully understand the nature of the agreement, then it is recommended that you take independent legal advice before signing.
- Where the tenancy is a joint tenancy, the liability of the tenants is joint and several. This means that if one of the tenants fail to pay the other tenant(s) will be liable. All tenants are individually liable to pay the full rent and comply with the terms of the tenancy agreement. You may be liable for the full amount of any rent or losses if the tenant(s) do not pay. In practice, where there is more than one guarantor, the liability would be shared jointly amongst the Guarantors but if the other Guarantors fail to pay it can be enforced against one Guarantor under a joint tenancy.
- If a Guarantor dies and the Guarantee is a joint Guarantee then the Guarantor Agreement will continue until the death of the last Guarantor.
- You will be responsible for any unpaid rent or other costs or losses (including legal costs) suffered as a result of any breach of the tenancy agreement by any of the tenants for the initial fixed term period and for any subsequent periodic tenancy.
- You will continue to be responsible for your liabilities under the Tenancy Agreement and the Guarantor Agreement where variations or amendments to the terms of the tenancy occur provided that such variations or amendments are not substantial or prejudicial to you.
- Where the tenancy is renewed for a new fixed term you will only be responsible for the Tenant's default of the terms of the renewed fixed term tenancy if you sign a new Guarantor Agreement.
- A tenancy does not end on the death of a tenant and you will be responsible for guaranteeing the tenancy until the tenancy ends or the tenancy is surrendered. For joint tenancies the tenancy will pass to the surviving tenants. For sole tenancies the tenancy will usually pass to the Tenant's Personal Representatives as part of the Tenant's 'estate.'
- You are responsible for reimbursing the Landlord for any monies owed by the Tenant at the end of the tenancy.
- Where the tenancy is for a fixed term you cannot end the Guarantor Agreement during the fixed term.
- Where the tenancy is a periodic tenancy (e.g. it continued after the fixed term tenancy and no new fixed term was agreed) you will need to give six months' notice in writing to the Landlord to terminate the Guarantor Agreement. In practice, once the guarantor has given notice, the Tenant will either find a new guarantor or, if there is no new guarantor, the Landlord will give notice to the Tenant to end the tenancy. If the Tenant does not leave at the end of expiry of the notice period (usually two months) then the Landlord will need to apply to court for a possession order. The statutory process usually takes six months from the date notice is given to the Tenant. If the Tenant does, however, leave on the date specified in the Landlord's notice, then the tenancy ends and the Guarantor Agreement will end earlier than six months e.g. on the date that the Tenant vacates the Property.
- If the Tenant fails to vacate the Property at the end of the tenancy, then legal proceedings may be instigated which require the Tenant to leave. As Guarantor your liability will continue until the legal proceedings are concluded and the Tenant is forced to leave.

**You should ensure that you have read fully the Tenancy Agreement and Guarantor Agreement and that you understand your obligations before signing the Guarantor Agreement.**