

# GUARANTORS

## what you need to know

### What is a Guarantor?

If a Tenant is not fully approved by the referencing process, they can ask a Guarantor to support them. A Guarantor will agree to take joint responsibility for the rent for the property if the Tenant fails to pay. Guarantors are required to pay any rent arrears (if the Tenant does not pay) and for any damages costing more than the deposit.

With residential tenancies, it is common for the Landlord or Agent to ask for a Guarantor, particularly when a Tenant has a low credit score, considered a risk category, a benefit claimant or if they are unable to show that they have adequate income.

### What does a Guarantor need to do?

A Guarantor needs to go through the same referencing process as a Tenant. The normal requirement is that they are employed and a UK resident, with sufficient earnings to cover the Tenant's rental commitment. Wealth held in property or fixed assets would not help show that a Guarantor can cover the rent. A Guarantor needs to show that they are able to pay the rent if required and this is generally calculated by having income or cash greater than three times the annual rental of the property.

### Why does the Guarantor have to guarantee all Tenants?

The tenancy agreement makes all Tenants jointly responsible for all rents and responsibilities. There is no individual 'share' of the rent written into the agreement. The Guarantor therefore has the same responsibility.

### How long is the Guarantor committed for?

The Guarantor is committed for the length of the fixed term tenancy or, if the contract continues without a new tenancy being signed, you will be liable until notice is given by the Landlord or Tenant. If the landlord or Tenant wishes to renew a tenancy agreement you may be asked once more to act as Guarantor.