Fleet
Mortgages

Acceptable Tenancies

Version 3.

Acceptable Tenancies

1. **APTs/SOCs:**

- **England – Assured Periodic Tenancies (APTs)** with a total rental income of no more than £100k per annum.
- **Wales - Standard Occupation Contracts (SOCs)** under which the landlord has a contractual right to terminate the agreement on six months' notice.

2. **Non-assured tenancy agreements:**

- **Corporate Tenancies** of wholly residential property, including to Local Authorities/Housing Associations/Registered Social Housing Providers/Charities
- **Shared Households/Student Lets** (provided the property is not on a student campus) - tenancies may be in individual names or a group of names but the number of tenancies must be consistent with the size of the property

meeting the following criteria:

  - Maximum 5-year term.
  - Tenant must not have option to renew or be granted security of tenure.
  - Use of the property must be restricted to residential purposes only with business use prohibited.
  - Prohibition on assignment/subletting, except for Corporate Tenancies where the tenant is granting an APT/SOC/licence to individual/individuals and is not remaining in occupation or control.
  - For any tenancy agreement over 12 months, the landlord must have an unconditional right to terminate (at least after the first 12 months) or the right to terminate upon the appointment of a receiver or upon a mortgagee requiring vacant possession to exercise its power of sale.

3. **Criteria applying to all tenancies:**

- Where a tenancy agreement contains an unconditional right for the property to be converted into an HMO, the loan must be documented under an HMO product.
- Properties must not be used as holiday lets (including Airbnb or similar) or short-term lets.
- Properties must not be used as hostels, nursing homes or care homes, or otherwise be used for care or other business purposes.
- There must be no onsite medical, personal care or supported services/assistance of any kind provided on the premises (ad hoc administrative support and services are acceptable).
- Fleet does not accept protected or assured tenancies, tenancies granted to diplomats/diplomatic missions or agricultural tenancies.

The tenancy agreement must contain no other provisions which adversely affect Fleet's security or its right to enforce its remedies under the mortgage deed.

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