

Rent to Home

Full detail and Terms and Conditions

**Making The
Difference**

Your journey from Rent to Home

Rent to Home has been designed to support First Time Buyers get a step on the property ladder, specifically those who can afford to rent, but are unable to save a deposit to purchase a home.

If you're successful you'll be able to rent a newly refurbished property from us for a minimum of one year and a maximum of three years. During this time, if you're ready to purchase your own home, 70% of the rent paid will be returned to you to help with your deposit.

The return of 70% relies on you taking a mortgage with The Cambridge.

The property is conveniently located for those working in the city of Cambridge. It has been recently refurbished and will provide a great home while you're making your way to the first step of home ownership.

To demonstrate our commitment to helping those in our heartland and our many loyal members, the initiative has a series of criteria – read on or click on the links below to find out more:

Applicant and criteria requirements

Rental amounts and values returned to support with your deposit

Key dates

Terms and Conditions

If you're successful in the Rent to Home Ballot we'll require you to sign a standard Assured Shorthold Tenancy Agreement with our lettings partner Cheffins. We will also require you to sign the Terms and Conditions of the initiative.

Should you be successful we advise that you consider taking independent legal advice prior to signing the Terms and Conditions.

Applicant and criteria requirements

To ensure we're helping those who really need our help, the Rent to Home initiative comes with its own set of criteria.

- **You must be a First Time Buyer** - You'll need to fit HM Treasury's definition of a First Time Buyer. *A first-time buyer is someone who has never owned freehold or leasehold interest in a dwelling before and who is purchasing their only or main residence. Residential property anywhere in the world is counted when determining whether someone is a first-time buyer. Where there are joint purchasers, all purchasers would need to be first-time buyers*
- **You'll need to become a member of The Cambridge** – Upon your application being successfully drawn you'll need to become a voting member of the The Cambridge – to do this you'll need to open a savings account with £100
- **You must have a modest income** - we have a cap on the salary requirements of applicants for the Rent to Home initiative to make sure we're helping those with lower salaries. The cap is a maximum income of £60,000 for sole applicants and £80,000 combined income for joint applicants

Rental amounts and values returned to support with your deposit

Rental amounts

The rent for the Cottenham property will be £750 per month. This rent will be due in accordance with the Assured Shorthold Tenancy Agreement.

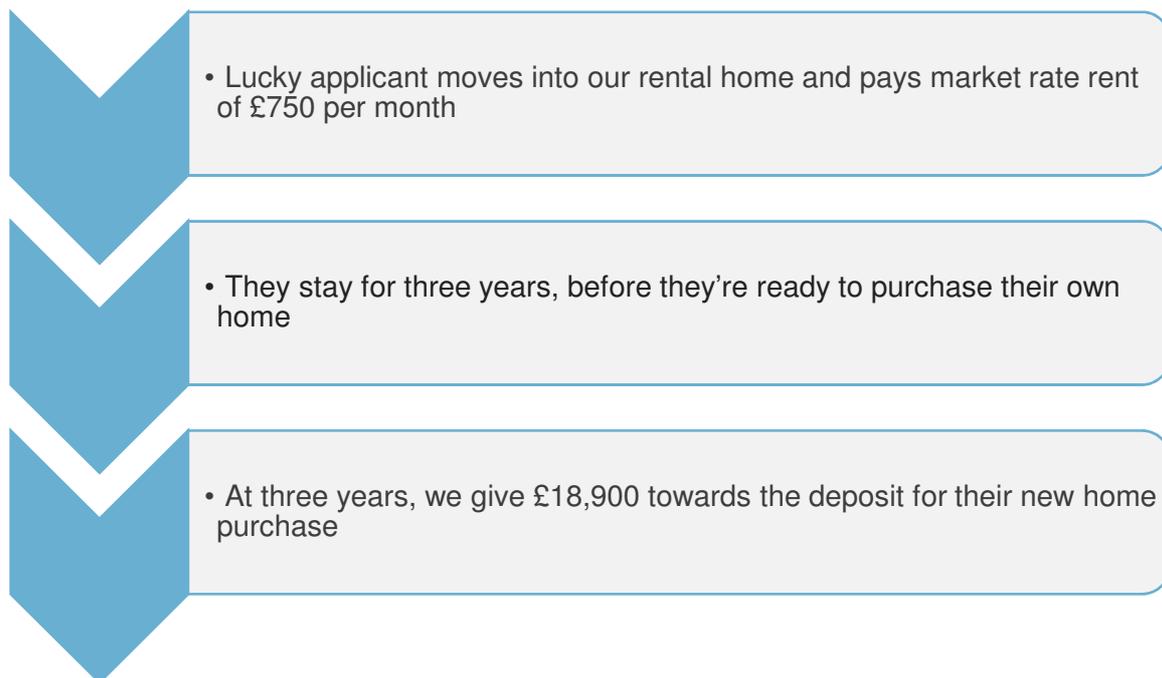
To be eligible for the rental return you'll need to stay in the rental property between 1 and 3 years. If during this time you're in a position to purchase, your Cambridge Relationship Manager will be on hand to support you through getting a mortgage and purchasing your first home.

During the annual cycle of the tenancy agreement the rental value will be reviewed. We will always aim to keep the rental value at market rate rent.

Values to be returned

70% of the rent will be returned to support you with the deposit for your first home if you take a mortgage out with The Cambridge.

An example of how this may be calculated for someone renting for the maximum time is:



If you take a mortgage out with another lender due to The Cambridge being unable to support you, 50% of the rent will be returned to support with the deposit for your first home.

If you do not purchase a home none of the monies will be returned.

Key dates

The Rent to Home initiative opens for applications on Wednesday 23rd September and will close on Friday the 30th October 2020 or earlier if 25 applications are received during this time.

A timeline highlighting the key points you may wish to know is below:

- **23rd September 2020** – applications are open
- **October** – during October Saturday 17th October and 21st October there will be two open days to allow applicants to view the Cottenham flat to ensure it's suitable for your needs
- **30th October 2020** – applications for the Rent to Home initiative will close at 5pm on Friday the 30th October 2020. Should the initiative receive 25 applications prior to Friday 30th October 2020 it will close sooner
- **6th November 2020** – by the 6th November 2020 the ballot will have been held and the successful applicants for each of the properties will have been contacted
- **Within three months of the draw** – the property is ready for you to move in immediately, but we know things take time to sort through, so you've up to three months to move in following the ballot draw
- **Six months on** – six months on from moving into the rental property you will be given the opportunity to sit down with your personal Relationship Manager and experience a mock mortgage interview. The purpose will be to support you in understanding the requirements of a mortgage
- **One to three years on** – if you're still renting our properties after two and a half years your personal Relationship Manager will be in contact to support you with your mortgage application and the final step of moving from Rent to Home

Terms and Conditions

The following are the detailed Terms and Conditions that you'll be required to sign if you're successful in your application for the Rent to Home initiative.

Explanatory Notes - How does it work?

Rent to Home is an initiative (**Scheme**) operated and administered by The Cambridge Building Society (**The Cambridge**) under Making The Difference, for the benefit of its members and the local community.

Applicants to the Scheme will have the opportunity to rent a residential property from The Cambridge at open market rent and will be required to enter into an Assured Shorthold Tenancy agreement (**AST**) with The Cambridge.

Prior to entering into the AST, the applicant must agree that they understand and accept the terms and conditions of the Scheme.

The purpose of the Scheme is so that if the applicant purchases a residential property within 3 years of joining the Scheme and entering into the AST, The Cambridge shall repay to the applicant a percentage of the total rent the applicant has paid to The Cambridge under the AST. The percentage/amount of rent to be repaid to the applicant will depend on whether the applicant purchases the property with the assistance of a mortgage from The Cambridge or from another financial institution and shall be conditional on the applicant complying with the provisions of the Scheme (and in particular the criteria that must be complied with before The Cambridge will release any funds).

The property which the applicant rents from The Cambridge will remain under the ownership of The Cambridge at all times.

The Cambridge shall be under no obligation to provide the applicant with a mortgage and the applicant will need to meet The Cambridge's usual lending criteria that remains in force from time to time.

The property which the applicant intends to purchase with assistance from the Scheme must be the applicant's only residence after completion of the purchase. Rent to Home is not available to buy-to-let investors or those who will have an interest in any residential property other than their Rent to Home property after completing their purchase.

An applicant cannot rent out their existing home and buy another property through the Scheme.

Any applicant who makes a fraudulent claim for Rent to Home assistance may be liable to criminal prosecution.

If an applicant rents a property from The Cambridge but does not proceed to buy a property under the Scheme, the applicant will not be entitled to repayment of any rent and will be required to vacate the rental property on the date that is 3 years from the date of commencement of the AST, otherwise The Cambridge will take steps to recover possession of the rental property.

The applicant will be subject to the terms of the AST during the rental period and The Cambridge will seek possession of the property if the applicant breaches any of the tenant's covenants in the AST.

The applicant can give notice to The Cambridge to vacate the rental property during the 3 year period in accordance with the terms of the AST. Upon vacating the property the applicant's participation in the Scheme will come to an end and the applicant shall not be entitled to the repayment of any rent paid under the AST.

The applicant will be asked to give consent to participate in promotional activity relating to the Scheme.

Who is eligible?

To be eligible to participate in the Scheme applicants must meet the following initial criteria:

- Applicants must be intending 'first time buyers', defined by HM Treasury as '*someone who has never owned freehold or leasehold interest in a dwelling before and who is purchasing only for a main residence. Residential property anywhere in the world is counted when determining whether someone is a first-time buyer. Where there are joint purchasers, all purchasers would need to be first-time buyers.*'
- There must be not more than two applicants who apply to participate in the Scheme on a joint basis
- A sole applicant must have a maximum income of £60,000 per year (or £80,000 in the case of joint applicants), when they apply to participate in the Scheme (but not necessarily when they notify The Cambridge of their intention to purchase a property using the Scheme)
- Credit checks will be carried out for each applicant and results must show:
 - No more than 2 missed loan, credit card or financial commitment payments in the last 24 months;
 - No County Court Judgements or defaults; and
 - No Bankruptcies/IVA's or Debt Management Plans
- Letting Agency due diligence checks must be satisfactory
- Employees of The Cambridge and their immediate family are not eligible to participate in the Scheme
- All applicants must have a permanent right to reside in the UK
- An applicant must not have a criminal record

The final decision on whether an applicant meets the initial eligibility criteria for the Scheme shall be made by The Cambridge in its sole discretion.

An annual review of the rental shall take place in accordance with the terms of the AST.

Process for property purchase

If an applicant is successful and is accepted by The Cambridge as eligible to participate in The Scheme they may notify The Cambridge of their intention to purchase a residential property within the 3 year tenancy period.

The process is as follows:

1. The applicant shall send to The Cambridge a written request to use the Scheme to purchase a property in England or Wales. For the avoidance of doubt the property can be an 'affordable property' which is a shared ownership or shared equity property or one that is being sold with the assistance of the 'Help to Buy' Government Scheme
2. Provided that the following criteria ("the Release Criteria") are met, The Cambridge will respond to the applicant within 14 working days of the written request to confirm that they have met the Release Criteria and to advise them of the amount of rent that will be repaid. The Release Criteria are:
 - 2.1 The applicant must have rented a property from The Cambridge for at least 1 year
 - 2.2 The AST must be ongoing
 - 2.3 The applicant must intend to rent the property from The Cambridge up to the date of completion of their purchase
 - 2.4 The applicant must have remained a member of The Cambridge for the rental period
 - 2.5 There has not been a breach of the Terms and Conditions
 - 2.6 The property to be purchased:
 - 2.6.1 will be the applicant's main residence; and
 - 2.6.2 the purchase must be completed on or before the date which is 3 years from the start date of the AST
 - 2.7 The Cambridge must receive confirmation from its agent that all rental payments have been received on time, the rental property has been satisfactorily maintained and there are no upheld complaints about the applicant
3. Subject to the Release Criteria being met the applicant can proceed with their purchase
4. Following notification of the proposed completion date from the applicant's solicitor (or licenced conveyancer), whom must provide an undertaking to deal with the funds in the form that is required by The Cambridge, The Cambridge will pay the funds to the applicant's solicitor (or licenced conveyancer) to enable them to complete the property purchase. Funds will not be released directly to the applicant to use as a deposit
5. The funds that have been released in paragraph 4 above will not be repayable to The Cambridge by the applicant

Making The Difference

6. If the property purchase does not complete for any reason the funds must be returned to The Cambridge and The Cambridge may at its sole discretion, allow the applicant to repeat the process (assuming the 3 year time limit has only recently expired)

Rent to Home Terms and Conditions (the 'Conditions')

If you are a successful applicant under the Scheme you will be required to agree to, and sign these Terms and Conditions.

Background:

- (A) **[Member's name]** ('the Member') of [Member's address] has applied to participate in the Scheme and the **CAMBRIDGE BUILDING SOCIETY** ('The Cambridge') regulated by the Financial Conduct Authority and Prudential Regulation Authority under Registration Number 1572230 and whose registered office is at PO Box 232, 51 Newmarket Road, Cambridge, CB5 8FF agrees that the Member meets the Initial Eligibility Criteria.
- (B) The Member has agreed to participate in the Scheme and The Cambridge has agreed to operate the Scheme on the Conditions set out below.
- (C) The Cambridge has agreed to pay the Contribution to the Member subject to the Member complying with these Conditions and in particular the Release Criteria.

1. Definitions and interpretation

1.1 In these Conditions:

"AST" means an assured shorthold tenancy agreement to be entered into between the Member and the Cambridge on the same day as these Conditions relating to [address of Property];

"Business Day" means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London;

"Commercial Lender" means a lender who is regulated by the Financial Conduct Authority (Company Registration Number **01920623**) whose registered office is at 12 Endeavour Square, London, England, E20 1JN;

"Contribution" means the amount that The Cambridge may pay to the Member (subject to the Release Criteria) in order to assist the Member in the purchase of a Property, such amount to be determined in accordance with either condition 3.1 or condition 4.1 (as applicable) and to be paid in accordance with condition 6;

"Initial Eligibility Criteria" means the criteria set out in Schedule 1;

"Member's Conveyancer" the solicitor or licenced conveyancer (approved by The Cambridge) appointed by the Member to act in relation to the Member's purchase of the Property;

"Property" means a residential property in England and Wales which the Member proposes to purchase as their main residence using the Contribution and a mortgage from a Commercial Lender;

"Release Criteria" means the criteria which the Member must meet in order for The Cambridge to release the Contribution to them as set out in condition 5;

"Rental Commencement Date" means the date of commencement of the term created by the AST;

“Rental Period” means the period from the Rental Commencement Date until either (a) the date the Member completes the purchase of a Property, (b) the date that the AST is brought to an end by effluxion of time (being the third anniversary of the date of the AST) or (c) the date of termination of the AST by notice, whichever date shall be the first to occur;

“Rental Property” means the property which is rented by the Member from The Cambridge under the terms of the AST;

“Scheme” means the Rent to Home scheme.

1.2 In these Conditions, unless the context otherwise requires:

- (a) each gender includes the other genders;
- (b) the singular includes the plural and vice versa;
- (c) references to conditions and sub-conditions are to conditions and/or sub-conditions of these Conditions;
- (d) references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), bodies corporate, governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
- (e) the words 'include', 'includes' and 'including' or similar words are deemed to be followed by the words 'without limitation';
- (f) the descriptive headings to conditions in these Conditions are included for convenience only, have no legal effect and shall be ignored in the interpretation of these Conditions;
- (g) references to legislation include any modification or re-enactment of it before the date of these Conditions; and
- (h) references to these Conditions, any specified condition in these Conditions, any other document or any specified condition in any other document are to these Conditions, that document or the specified condition as in force for the time being and as amended, varied, novated or supplemented from time to time.

2. Rental Property

2.1 The Member agrees to adhere to these Conditions for the duration of the Rental Period.

2.2 On the date that these Conditions are signed by the parties, the Member shall enter into and deliver to The Cambridge a duly executed AST in respect of the Member’s rental and occupation of the Rental Property.

2.3 The AST will be for an initial fixed period of 6 months and will thereafter become a periodic tenancy.

2.4 The Member acknowledges and accepts that unless The Cambridge seeks possession of the Rental Property due to the Member breaching the tenant’s obligations in the AST, the Rental Period shall last up to a maximum period of 3 years from the Rental Commencement Date.

2.5 Subject to the provisions of the following Condition 3, the gross rent paid by the Member to The Cambridge as tenant of the Rental Property (and any interest earned by The Cambridge on such monies) shall belong to The Cambridge absolutely.

2.6 The Rental Property shall remain the property of The Cambridge at all times.

2.7 After the initial fixed period of the AST the Tenant can give notice to vacate the Property in accordance with the terms of the AST.

3. Property Purchase with Assistance from The Cambridge

3.1 If the Member wishes to purchase a Property they must make an application to The Cambridge for a mortgage before the third anniversary of the Rental Commencement Date. Having assessed the Member's needs and suitability for a particular product The Cambridge will inform the Member of the mortgage products (if any) that it is able to offer to the Member.

3.2 The Member must inform The Cambridge within 10 working days of the date of receipt of the offer whether they wish to accept this offer.

3.3 If the Member accepts this offer and proceeds to purchase a property, The Cambridge shall return to the Member 70% of the total rent paid by the Member for the duration of the Rental Period in accordance with condition 6. This is subject to the Release Criteria having been met to the satisfaction of The Cambridge.

3.4 If the Member does not accept this offer The Cambridge shall retain all rent paid to it by the Member during the Rental Period and the AST shall be brought to an end in accordance with condition 2.4.

3.5 In the event that the Member's mortgage application to The Cambridge is unsuccessful because they don't meet the Society's lending criteria then provisions of condition 4 will apply.

4. Property Purchase without Assistance from The Cambridge

4.1 If, before the third anniversary of the Rental Commencement Date the Member purchases a Property with the assistance of a mortgage from a Commercial Lender other than The Cambridge, The Cambridge shall return to the Member 50% of the total rent paid by the Member for the duration of the Rental Period, provided that the Release Criteria have been met to the satisfaction of The Cambridge.

4.2 The Contribution will not be released if the Property is being purchased for cash or otherwise without the assistance of a Commercial Lender.

4.3 The Contribution will not be released if the Member's mortgage application is unsuccessful.

4.4 Where the Member is purchasing a Property with the assistance of another lender other than The Cambridge, The Member shall require the Member's conveyancer to produce to The Cambridge a copy of the other lender's mortgage offer at least 10 working days prior to the date on which the Member requests that the Contribution shall be released by the Cambridge to the Member's conveyancer in accordance with condition 6.4.

5. Release Criteria

5.1 The Cambridge shall not release the Contribution to the Member unless the following criteria are met to the satisfaction of The Cambridge:

(a) a written request in the form informing The Cambridge that the Member intends to use the Scheme to purchase a Property must be sent to:

Finance Director
Cambridge Building Society
PO Box 232
51 Newmarket Road
Cambridge
CB5 8FF

at least 4 weeks before the proposed date of exchange of contracts for the purchase of the Property;

(b) the Member must have rented the Rental Property for a minimum period of one year;

(c) the AST must not have been terminated;

(d) the Member must still be renting the Rental Property immediately before completion of the purchase of the Property;

(e) there has been no breach of the tenant's covenants in the AST;

(f) the Rental Property must not have been sub-let at any point during the Rental Period;

(g) the Member has remained a member of The Cambridge for the duration of the Rental Period;

(h) there has been no breach of these Conditions;

(i) the Property to be purchased must be a residential property being purchased as the Member's main residence;

(j) the purchase of the Property must be completed on or before expiry of the third anniversary of the date these Conditions are signed by the parties; and

(k) The Cambridge must receive confirmation from its letting agent that:

- (i) all rental payments have been received on time and made in full;
- (ii) the Rental Property has been maintained in satisfactory condition; and
- (iii) there are no upheld complaints made against the Member

6. Procedure for the Release of the contribution

6.1 The Member shall give to The Cambridge written notice that they intend to apply for a mortgage to enable them to purchase a property.

6.2 Provided that the criteria set out in condition 5 have been met The Cambridge will within 14 working days of the date of the notice reply to the Member and confirm whether they have satisfied the Initial Eligibility

Criteria and the Release Criteria and what the anticipated amount of the Contribution will be in accordance with condition 3 or condition 4.

6.3 Assuming that the Initial Eligibility Criteria and Release Criteria have been met the Member may proceed with their purchase.

6.4 The Member's Conveyancer will advise The Cambridge of the proposed date of completion of their purchase no later than 10 working days before they require funds to be released.

6.5 The Contribution will be released on the date that has been provided in accordance with condition 6.4 provided that the Member's Conveyancer has provided The Cambridge with a written undertaking in form requested by The Cambridge.

6.6 The Contribution will not be released directly to the Member to use as a deposit.

6.7 The Cambridge is not responsible for any tax liability to the Member resulting from the Contribution.

6.8 No Member shall be entitled to receive the Contribution to use for any purpose other than to purchase a Property in accordance with these Conditions.

6.9 For the avoidance of doubt, no Member shall be entitled to receive the Contribution if the Release Criteria are not satisfied to The Cambridge's satisfaction or waived by The Cambridge in writing.

6.10 Should the purchase of the Property not complete for any reason the Contribution shall be repaid to The Cambridge within 7 working days of the anticipated completion date.

7. Joint Members

7.1 The Member must not consist of more than two people.

7.2 Where the Member consists of two people ("**Joint Members**"), references to the Member shall apply jointly and severally to both parties referred to as the Member.

7.3 Where notice is proposed to be given to The Cambridge under condition 5(a), Joint Members are required to give such notice jointly, except in circumstances where:

- (a) one of the Joint Members has died, in which case the surviving Member may give notice; or
- (b) where one of the Joint Members has permanently vacated the Rental Property and has no intention of occupying the Property after its purchase, in which case the remaining Member may give notice

provided that the other Release Criteria are met.

7.4 No payment shall be made to any person who was previously a Joint Member but who has permanently vacated the Rental Property or to the estate of any deceased Joint Member and The Cambridge shall have no liability in this regard to any person who was previously a Joint Member.

7.5 If both Joint Members wish to purchase their own Property they must each make an application to The Cambridge in accordance with condition 5.1(a) and will each be entitled to 50% of the Contribution provided that the Release Criteria are met.

8. Independent legal advice

The Cambridge recommends that a Member take independent legal advice on the implications of participating in the Scheme and the right to purchase a property in accordance with these Conditions. A Member should only sign these Conditions if such Member agrees to be legally bound by them.

9. Variation

No amendment or variation of these Conditions shall be valid or effective unless made in writing and signed by or on behalf of the Member and The Cambridge.

10. Severability

10.1 Each of these Conditions is severable and distinct from the other Conditions. If any of these Conditions (wholly or partly) is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other Conditions.

10.2 If any of these Conditions (wholly or partly) is or becomes illegal, invalid or unenforceable but would be legal, valid and enforceable if the Condition or some part of the Condition were deleted or modified, the Condition or part of the Condition in question shall apply with such deletions and modifications as may be necessary to make it legal, valid and enforceable.

11. Waiver

11.1 No failure, delay, indulgence, act or omission by either party in exercising any claim, remedy, right, power or privilege under these Conditions shall operate as a waiver, nor shall any single or partial exercise of any claim, right, remedy, power or privilege prevent any future exercise of it or the exercise of any other claim, right, remedy, power or privilege.

11.2 Any rights, powers or remedies conferred on either party by these Conditions shall be in addition to and without prejudice to all other rights, powers and remedies available to it.

12. Rights of third parties

A person who is not a party to these Conditions shall not be entitled to enforce them under the Contracts (Rights of Third Parties) Act 1999.

13. Assignment

The Member shall not, without the prior written consent of The Cambridge, assign, transfer, hold on trust, create any encumbrance over or otherwise delegate the benefit of these Conditions or any right under them.

14. Members consent to participate in promotional activity

The Member, or Joint Members as the case may be, give their consent to The Cambridge to market the Scheme and to use their particular circumstances as a case study.

15. Governing law and jurisdiction

15.1 These Conditions and any dispute or claim arising out of, or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

15.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, these Conditions, their subject matter or formation (including non-contractual disputes or claims).

SCHEDULE 1

Initial Eligibility Criteria

Applicants to The Cambridge's Rent to Home Scheme must comply with the following Initial Eligibility Criteria:

1. Must be a first-time buyer who has never owned a freehold or leasehold interest in a property before and who is purchasing only for a main residence. Residential property anywhere in the world is counted when determining whether someone is a first-time buyer. Where the application is made by two applicants this criteria applies to both of them
2. No more than two Members can purchase a Property jointly
3. The applicant must have a maximum income of £60,000 per year individually or £80,000 jointly
4. Must pass all credit referencing checks to be carried out by The Cambridge and / or its agent for each applicant
5. Must not be an employee or immediate family member of an employee of The Cambridge, specifically:
 - a. Employees of The Cambridge **are not** eligible to apply for the Scheme
 - b. Immediate family members of employees **are not** eligible for the Scheme. This is defined as: Sons, Daughters, Brothers, Sisters, Mothers and Fathers. It also extends to any half or step family equivalents
 - c. Cousins, nieces, nephews, friends, housemates **are** eligible
6. Must be a UK citizen or have a permanent right to reside in the UK
7. Must not have a criminal record
8. The final decision on whether an applicant meets the Initial Eligibility Criteria for the Scheme shall be made by The Cambridge in its sole discretion