

## UK FINANCE/BSA TEMPLATE

WHERE CONSENT IS SOUGHT FROM A MORTGAGE LENDER TO CONSENT TO THE GRANT OF A LEASE OF RIGHTS IN RELATION TO ROOF SPACE.

The following template letter is designed to assist in the process of seeking consent from mortgage lenders, in order to register the lease of roof space for installing photovoltaic panels.

**The letter sets out the minimum requirements of lenders.** It provides a way of certifying to lenders that the providers meet certain minimum requirements. Providers are advised to check with individual lenders who may have specific requirements in addition to those listed in the letter below.

### Template letter

To <insert name of lender>:

[Borrower name] ('the borrower') [Borrower account reference] [address of property] ('the property')

The borrower has applied to us to install photovoltaic panels ('the panels') and enter into an [xx] year lease in respect to the air space above the roof of the property (the lease').

We seek your consent for:

- A. The installation of both the panels and the ancillary equipment (including wires) to be installed at the property (together 'the equipment')
- B. The grant of the lease
- C. The registration of the lease when granted

The borrower has been informed that the lease they are entering into is a long-term legally binding agreement. They have been recommended to seek professional advice from a suitably qualified conveyancer relating to the terms of the lease and the possible impact on the value of their property.

We attach a copy of the lease. We will advise you of any intended changes to the lease agreement, where that change may impact on your minimum requirements, so that you can review your position on whether you can give consent to the lease. [Only include if the lease is to be sent. If not, then include paragraph 17]

We can confirm the following:

1. We will not install the equipment unless there has been an appropriate physical inspection of the property, by a suitably qualified person, to ensure it is suitable for all the equipment to be installed.
2. The equipment will be insured during installation and for the term of the lease, including insurance against liability for any damage caused to the property or injury to any person, which occurs during or arises from the installation or operation of the equipment.
3. We will ensure that the borrower is advised that they must inform their buildings insurance company of the installation of the equipment, and that we are responsible for insuring the equipment. We will advise the borrower that they must comply with any additional requirements of their Buildings Insurer and we will use our reasonable endeavours to assist the borrower with compliance where necessary.
4. The equipment is to be maintained by us and: [pick one of the following] the maximum maintenance fee payable by <borrower name> is £60 or less per annum at the start of the lease. The fee may be increased annually by no more than the Retail Price Index; OR we will not charge a maintenance fee.
5. We or the borrower under the terms of the lease will be obliged to obtain all relevant legal consents (e.g. planning permission, buildings consent, listed buildings consent, restrictive covenant permission and any title permissions). Any documents obtained by us will be forwarded to the borrower who will be advised to keep copies of any consent obtained, no matter who obtained the consent.
6. Where the property is leasehold we will obtain (or request the borrower to obtain) the relevant consents from the landlord/block manager/residential committee where appropriate. We will forward details to the borrower and request that they retain the documents.
7. [pick one of the following][We have provided the current Building Regulation Approval for the proposed installation, including a written report from a Chartered

Building Surveyor or Structural Engineer that the roof structure, or other supporting structure, is able to accommodate the installation and imposed additional live and dead loadings without deformation.]

[We have provided current written certification from the proposed installer of their membership of the Microgeneration Certification Scheme (MCS) and relevant Competent Persons Scheme.]

8. If the lease requires the borrower to maintain vegetation/trees (for example by pruning) to ensure the panels' efficiency, it will not impose an obligation to undertake works or maintenance which are prohibited by law e.g. tree preservation orders, where the property is in a conservation area.

9. We confirm we are liable to repair, at our expense, any damage to the property caused by us (or our contractors) when installing, re-installing, maintaining or removing the panels and associated equipment.

10. The term granted by the lease does not exceed 30 years.

11. The lease agreement allows for the necessary removal and re-installment of the equipment for essential roof repairs and improvements, providing a reasonable grace period for continuous removal, and a reasonable total grace period over 12 months. During the grace period, we will not seek to recover from the borrower any losses from benefits such as Feed-in-Tariff payments.

12. Where we remove and re-instate the panels within grace periods we: [pick one of the following] will only charge the homeowner/occupier for reasonable costs incurred in respect of such removal and subsequent reinstatement of the equipment; OR will not charge for costs associated with the removal and subsequent reinstatement of the panels.

13. The lease:

- contains a landlord's break right, exercisable only by a landlord that is a mortgagee in possession, allowing a break on any day giving not less than two months' prior notice in writing, if the landlord reasonably believes that the presence of the equipment on the property is affecting or is likely to adversely affect its ability to sell the property.

- obliges us to remove the equipment from the property at our own expense, promptly following receipt of any notice to break served in accordance with paragraph 13 (a).
- excuses any mortgagee of the landlord, whilst in possession of the property, from liability for:
  - any breach of the landlord's covenants in the lease.
  - Any damage or loss to the equipment caused by the borrower or persons authorised by it to be on the property.
  - Any damage to any of the equipment or loss of income caused as a result of disconnection of the electricity supply to the equipment.

14. Within the lease, the definition of 'successors in title' includes a 'mortgagee in possession'.

15. The lease agreement validly excludes security of tenure under the Landlord and Tenant Act 1954, where the lease applies to a property in England and Wales.

16. [insert any specific confirmations that this particular lender has indicated it requires]

17. [We will advise you if, before the date of the completion of the lease, any of the confirmations given in paragraphs 1-16 become inaccurate] [include if lease is not provided with this letter]

We take responsibility for full compliance with the confirmations contained in this letter. We will be legally liable to you for non-compliance.

Signed

<Name of Provider>