POLICY STATEMENT FOR DSS TENNATS

Wishing to rent from Clarkes

Most landlords and their agents do not accept tenants who receive unemployment benefits and/or housing benefit.

There are a number of reasons for this, the main issues for landlords are:

- Landlords want their rent paid in advance but Housing Benefit is paid in arrears and is also subject to change.
- Housing Benefit reductions can be back dated with Landlords having to pay money back to the Council.
- Housing Benefit is paid 4 weekly but the tenancy term is monthly.
- DSS tenants are more likely to have financial difficulties at some point in a tenancy.

Where Clarkes accept either a new tenant in receipt of Housing Benefit or an existing Tenant who becomes eligible for the Housing Benefit, the following conditions will apply.

1. **IF** the Housing Benefit is to be paid directly to the tenant, A UK Guarantor will be required with satisfactory references and a higher deposit will be required, usually 25% higher. If this can not be achieved then Clarkes will not be able to continue the Tenancy.
2. **IF** the Housing Benefit is to be paid directly to Clarkes, the tenant must pay a top up monthly. The top up is calculated so that the rent account will run in credit to compensate for:
    a. benefit being paid in arrears
    b. benefit paid 4 weekly rather than monthly
    c. benefit subject to change
    d. benefit can go down

    The Top Up will be calculated as follows:

    i)   Calculate the annual rent due
    ii)   Then multiply the 4 weekly benefit level by a factor of 11
    iii)   Take i) minus ii) and divide this by 12 – this is your monthly top up

NB The top up must be paid every month and must be recalculated when the benefit level changes. If your benefit does not reduce and you build up a credit over 12 months your top up will be recalculated for the next 12 months as follows:

    i)   Calculate the annual rent due
    ii)   Then multiply the 4 weekly benefit level by a factor of 11
    iii)   Take i) minus ii) then minus the amount of credit built up
    iv)   divide iii) by 12 – this is your new monthly top up