‘Rent to Own’

FULL DETAILS AND TERMS AND CONDITIONS – Welland House

‘Rent to Own’ Initiative details

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

If you are successful, you will be able to rent a property from us. After you have been renting from us for a minimum of one year, if you’re ready to purchase your own home, 60% of the rent paid will be returned to your solicitor or conveyancer to help with your deposit as part of your first house purchase.

The flats which are available to rent are unfurnished but will contain all white goods in the fitted kitchen. Fuller details of what is contained in each flat are available via the property prospectus.

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

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Terms in capitals in this document are defined in the ‘Rent to Own’ Terms and Conditions (the ‘Conditions’) starting at page 8 or where applicable in brackets within the document.

Applicant requirements

If you are successful in the ‘Rent to Own’ Ballot, we will require you to sign an Assured Periodic Tenancy (APT) Agreement with our lettings management partner Sheldon Bosley Knight.

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, criteria, and ballot requirements

To ensure we are helping those who really need our help, the 'Rent to Own' 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 (see below):

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 must have a connection to our heartland – You must live, work, or have a close relative living within a 15-mile radius of one of our branches
- Upon your application being successfully drawn you will need to open a savings account with us if you do not already have one – to do this you will need to open a savings account with a minimum deposit of £100
- You must have sufficient income - We set a minimum income requirement for applicants for the 'Rent to Own' initiative to make sure rental payments are affordable and that you're in receipt of enough monthly income to realistically be able to get a mortgage on a typical first home. We set a maximum income to make sure we are targeting the support to those we can make the biggest impact to. The guide minimum income is £30,000 for sole and combined joint applicants, and the maximum income is £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 our 'Welland House' properties will be standard market rent, payable monthly and will be advised at the outset of the ballot process. This rent will be due in accordance with the APT Agreement.

A Rental Security Deposit of one month's rental will be payable to our Lettings Agent upon signing the APT Agreement.

To be eligible for the rental return you will need to stay in the rental property for a minimum of one year "the Eligibility Period").

The maximum rental sum returned is capped at 3 years and expires if you have not moved into a property 9 months after your tenancy commenced upon which no benefit may be payable.

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

60% of the rent will be returned to your solicitor or conveyancer to support you with the deposit for your first home at the end of your tenancy (maximum of 3 years in value is payable).

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

- The lucky applicant rents our flat at the market rate of say £1,350 per month.
- They rent the property for three years, and we keep a percentage of their rent payments safe.
- After three years, we return £29,160 to use towards the deposit for their first mortgage. This is 60% of the total rent paid over the three years (60% x 1350 x 36)

If you do not purchase a home within a reasonable timescale when you exit your tenancy with us none of the monies will be returned.

Additionally, the home purchased must be for your main residential use and not to be used for letting/sub-letting purposes etc.

Key dates

The 'Rent to Own' initiative opens for applications on 1st October 2026 and will close on 15th November 2026 or earlier if 50 applications are received during this time.

Here is a timeline outlining the key milestones:

- **1st October 2026** – Our 'Rent to Own' initiative opens for new applications.
- **15th November 2026** – Applications will close on Sunday 15th November 2026. Should the initiative receive 50 applications prior to this date it may close sooner.
- **From 9th November 2026** – Applicants will be able to view the properties and ensure they are suitable for your needs. Appointments will be available between 10.00am and 5.00pm Monday to Friday.

- **30th November 2026** – the ballot will be held and the successful applicants for each of the properties will be contacted in order to move on to the final stage of the process with our letting agents Sheldon Bosley Knight.
- From **Monday 1st February 2027** – the property is ready for you to move in to immediately, but we know things can take time to sort through when you move house.
- **One to three years on** – when you are ready to purchase your first home, we can provide details to unbiased.co.uk for you to find a mortgage broker if you do not already have one.

Explanation of Terms and Conditions Details

The following are details of the Terms and Conditions that you will be required to sign if you are successful in your application for the 'Rent to Own' initiative.

Explanatory Notes - How does it work?

'Rent to Own' is an initiative (Scheme) operated and administered by Market Harborough Building Society (MHBS) under our Thrive! Agenda, for the benefit of the local community.

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

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

The purpose of the Scheme is to assist eligible applicants in purchasing their first residential property. Where an applicant joins the Scheme and subsequently completes the purchase of a residential property within three years of entering the Scheme, MHBS shall repay to the applicant a percentage of the total rent the applicant has paid.
Any such repayment shall be conditional upon the applicant's full compliance with the terms and conditions of the Scheme and satisfaction of all eligibility requirements applicable at the time of the claim.
The amount of rent to be repaid to the applicant will be 60% and its release shall be conditional on the applicant complying with the provisions of the Scheme.

The property which the applicant rents from MHBS will always remain under the ownership of MHBS.

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 Own' is not available to buy-to-let investors or those who will have an interest in any residential property other than their 'Rent to Own' 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 Own' assistance may be liable to criminal prosecution.

If an applicant rents a property from MHBS but does not proceed to buy a property under the Scheme, the applicant will not be entitled to repayment of any rent.

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

The applicant can give notice to MHBS to vacate the rental property prior to completing the Eligibility Period in accordance with the terms of the tenancy. Upon vacating the property, the applicant's participation in the Scheme will end and the applicant shall not be entitled to the repayment of any rent paid under the APT.

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

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
- Applicants must have a connection to our heartland – they must live, work, or have a close relative living within our 15-mile radius of our branch network.
- You must have a minimum income of £30,000 per year (for sole and joint applications). 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 MHBS of their intention to purchase a property using the Scheme)
- Your income must be paid in GB pounds into a UK bank account
- 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;
    - Bankruptcies, Individual Voluntary Arrangements, debt management plans, county court judgments and defaults have been satisfied for over three years
- Letting Agency due diligence checks must be satisfactory as the final stage of the process
- All applicants must have a permanent right to reside in the UK or an EU Settlement status

- Applicants must not have a criminal record
- Applicants must not have diplomatic immunity

Any financial commitments over £10,000 per applicant (excluding car finance and student debt) will need to be reviewed upon application.

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

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

Process for property purchase

If an applicant is successful and is accepted by MHBS as eligible to participate in The Scheme they may notify MHBS of their intention to purchase a residential property within the Eligibility Period (as defined in the Rent to Own' Terms and Conditions'**)**.

The process is as follows:

1. The applicant shall send to MHBS 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, MHBS 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 MHBS for at least 1 year

2.2 The tenancy must be ongoing

2.3 The applicant must intend to rent the property from MHBS up to the date of completion of their purchase

2.4 The applicant must have remained an account holder of MHBS 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 no longer than 3 years and 9 months from the start date of the APT in order to get the maximum rental payment returned (capped at 3 years)

2.6.3 the property to be purchased must be in England or Wales.

2.7 MHBS 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), who must provide an undertaking to deal with the funds in the form that is required by MHBS. MHBS 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 MHBS by the applicant

6. If the property purchase does not complete for any reason the funds must be returned to MHBS who may at its sole discretion, allow the applicant to repeat the process

‘Rent to Own’ Initiative 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) **[Applicants name)** (‘the Applicant’) of [Applicant’s address] has applied to participate in the Scheme and the **Market Harborough Building Society** (‘MHBS’) regulated by the Financial Conduct Authority and Prudential Regulation Authority under Registration Number 206041 and whose registered office is at Welland House, 15–17 The Square, Market Harborough, Leicestershire, LE16 7PD agrees that the Applicant meets the Initial Eligibility Criteria.

(B) The Applicant has agreed to participate in the Scheme and MHBS has agreed to operate the Scheme on the Conditions set out below.

(C) MHBS has agreed to pay the Contribution to the Applicant subject to the Applicant complying with these Conditions, and particularly the Release Criteria.

1. Definitions and interpretation

1.1 In these Conditions:

“Agent” means the letting agent who acts on behalf of MHBS.

“APT” means an assured periodic tenancy agreement to be entered into between the Applicant and MHBS 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 nonautomated commercial business in the City of London;

“Commercial Lender” means a lender who is regulated by the Financial Conduct Authority to provide residential mortgages.

“Contribution” means the amount that MHBS may pay to the Applicant (subject to the Release Criteria) in order to assist the Applicant 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;

“Eligibility Period” means the applicant must have been in residence for at least 12 months to receive rental rebate, during which time they have not been in breach of these Conditions;

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

“Applicant’s Conveyancer” the solicitor or licenced conveyancer (approved by MHBS) appointed by the Applicant to act in relation to the Member’s purchase of the Property;

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

“Release Criteria” means the criteria which the Applicant must meet for MHBS 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 APT;

“Rental Deposit” means the deposit paid by the Tenant to the Agent in accordance with the APT.

“Rental Period” means the period from the Rental Commencement Date until the Rental Property is vacated

Rental Property” means the property which is rented by the Applicant from MHBS under the terms of the APT;

“Scheme” means the ‘Rent to Own’ 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) the words 'include', 'includes' and 'including' or similar words are deemed to be followed by the words 'without limitation';

(e) 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;

(f) references to legislation include any modification or re-enactment of it before the date of these Conditions; and

(g) 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 Applicant 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 Applicant shall enter and deliver to MHBS a duly executed APT in respect of the Applicant's rental and occupation of the Rental Property.

2.3 The Applicant agrees to pay the Rental Deposit in accordance with the terms of the APT.

2.4 Subject to the release of the Contribution by MHBS and the subsequent legal completion of a property purchase the gross rent paid by the Applicant to MHBS as tenant of the Rental Property (and any interest earned by MHBS on such monies) shall belong to MHBS absolutely.

2.5 The Rental Property shall always remain the property of MHBS.

3. Property Purchase with Assistance from a Commercial Lender

3.1 If, during the Eligibility Period the Applicant purchases a Property with the assistance of a mortgage from a Commercial Lender, MHBS shall return to the Applicant 60% of the total rent paid by the Applicant for the duration of the Rental Period, provided that the Release Criteria have been met to the satisfaction of MHBS.

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

3.3 The Contribution will not be released if the Applicant's mortgage application is unsuccessful.

3.4 The Applicant shall require the Applicant's conveyancer to produce to MHBS a copy of the other lender’s mortgage offer at least 10 working days prior to the date on which the Applicant requests that the Contribution shall be released by MHBS to the Applicant's conveyancer in accordance with condition 5.4.

4. Release Criteria

4.1 MHBS shall not release the Contribution to the Applicant unless the following criteria are met to the satisfaction of MHBS:

(a) a written request informing MHBS that the Applicant intends to use the Scheme to purchase a property must be sent to:

Finance Director
Market Harborough Building Society

Newcombe House
16 The Point
Market Harborough
Leicestershire
LE16 7PD

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

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

(c) the APT must not have been terminated;

(d) the Applicant 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 APT;

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

(g) the Applicant has remained a member of MHBS for the duration of the Eligibility 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 Applicant's main residence;

(j) the purchase of the Property must be completed on or before 3 years and 9 months have expired since the start date; and

(k) MHBS must receive confirmation from its 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 Applicant

5. Procedure for the Release of the Contribution

5.1 The Applicant shall give to MHBS written notice that they intend to apply for a mortgage to enable them to purchase a property.

5.2 Provided that the criteria set out in condition 4 have been met MHBS will within 14 working days of the date of the notice reply to the Applicant 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 2 or condition 3.

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

5.4 The Applicants Conveyancer will advise MHBS of the proposed date of completion of their purchase no later than 10 working days before they require funds to be released.

5.5 The Contribution will be released on the date that has been provided in accordance with condition 5.4 provided that the Applicant's Conveyancer has provided MHBS with a written undertaking in form requested by MHBS.

5.6 The Contribution will not be released directly to the Applicant to use as a deposit.

5.7 MHBS is not responsible for any tax liability to the Applicant resulting from the Contribution.

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

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

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

6.0 The maximum number of Applicants must not consist of more than two people.

6.1 Where the Applicant's consists of two people ("Joint Applicants"), references to the Applicant shall apply jointly and severally to both parties referred to as the Applicant.

6.2 Where notice is proposed to be given to MHBS under condition 5.1, Joint Applicants are required to give such notice jointly, except in circumstances where:

(a) one of the Joint Applicant's has died, in which case the surviving Applicant may give notice; or

(b) where one of the Joint Applicants has permanently vacated the Rental Property and has no intention of occupying the Property after its purchase, in which case the remaining Applicant may give notice provided that the other Release Criteria are met.

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

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

6.5 If one of the Joint Applicant's withdraws from the Scheme, the remaining Applicant can make an application to MHBS in accordance with condition 4.1(a) and will be entitled to 50% of the Contribution provided that the Release Criteria are met. Upon written notice to the Agent and in accordance with the terms of the APT, an Applicant can withdraw from the Scheme.

6.6 If one of the Joint Applicant's dies within the Rental Period, the remaining Applicant can make an application to MHBS in accordance with condition 4.1(a) and will be entitled to the full Contribution provided that the Release Criteria are met.

7. Independent legal advice

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

8. 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 Applicant and MHBS.

9. Severability

9.1 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.

9.2 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.

10. Waiver

10.1 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.

10.2 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.

11. 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.

12. Assignment

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

13. Applicant's consent to participate in promotional activity

The Applicant's give their consent to MHBS to market the Scheme and to use their story as a case study. The Applicant's may be required to:

- join events promoting 'Rent to Own' to share their experiences
- Liaise with our PR Lead for quotes, press releases, photography and videos

14. Governing law and jurisdiction

14.1 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.

14.2 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 MHBS's 'Rent to Own' 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 criterion applies to both of them

2. No more than two Applicants can purchase a Property jointly

3. Must have a connection to our heartland and either live, work, or have a close relative living within a 15-mile radius of our branch network

4. Must have a minimum income of £30,000 per year (individually or jointly) and a maximum income of £60,000 per year individually or £80,000 jointly

5. Must have income which is paid in GB pounds into a UK bank account

6. Must pass all credit referencing checks to be carried out by MHBS and / or its Agent for each applicant and results must show:

- No more than 2 missed loan, credit card or financial commitment payments in the last 24 months
- Bankruptcies, Individual Voluntary Arrangements, Debt Management Plans, County Court Judgements, and defaults are satisfied for over three years

7. Must be a UK citizen or have either a permanent right to reside in the UK or an EU Settlement status

8. Must not have a criminal record

9. Must not have diplomatic immunity

10. The final decision on whether an applicant meets the Initial Eligibility Criteria for the Scheme shall be made by MHBS in its sole discretion