

Title: Mutual Exchange

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1.	Purpose
	<p>To provide a means for tenants of the Association to exchange their tenancy, either with that of another St Vincent's tenant, with that of a tenant from another Registered Social Landlord or a tenant from a Local Authority.</p> <p>The whole procedure should take no more than 42 days from receipt of the completed application form.</p>
2.	Scope
	To ensure legal obligations in relation to the tenancy agreement are met.
3.	References
4.	Key Objectives
	<p>To be able to give advice and assistance to tenant's when requesting a mutual exchange.</p> <p>To ensure mutual exchanges are carried out by way of assignment and comply with the law.</p> <p>To be able to give advice and assistance to tenant's when requesting a mutual exchange.</p>
5.	Customer Involvement
6.	Monitoring against the Customer Top 10
7.	Risk
	This is generally low risk provided all steps are carried out within the timescales given.
8.	The Process
8.1	<p>Responsibilities</p> <p>The Neighbourhood Manager is responsible for the overall decision as to whether the mutual exchange can take place.</p> <p>The Neighbourhood Officer is responsible for obtaining the information required in order to decide whether a Mutual Exchange can take place.</p> <p>The Landlord of the other tenant is responsible for providing information regarding the incoming tenant.</p>

8.2

Definitions

A **mutual exchange** allows one tenant to voluntarily assign an existing assured tenancy to another tenant creating a new tenancy unless there has been a previous assignment of the tenancy.

An **assignment** is when a tenant gives their interest in a tenancy to another person. The tenancy of the property then continues on the same basis and the new tenant takes on all the rights and responsibilities of the original tenancy.

8.3

Actions

On receipt of request the Neighbourhood Officer must do the following:

- Check if an Assignment has been undertaken previously. Tenants are only permitted one Assignment unless agreed through the Neighbourhood Manager.
- Arrears – If the tenant has been served with a Notice due to arrears the tenant needs to be advised the exchange will not take place until these are cleared.
- Nuisance – If the tenant, their children or visitors have caused a nuisance in the last two years or if the tenant has been served with a Notice for nuisance an exchange cannot take place if the Notice is still in force.
- Type of tenancies: - Tenant's are unable to exchange if they have an Assured Shorthold Tenancy/ Starter Tenancy.
- Check Grounds for Withholding Consent under S3 of the Housing Act 1985 (see 8.4.C)
- Under the Crime and Disorder Act 1998, both tenant and incoming tenant who are being considered for a mutual exchange, may be asked to provide evidence of their criminal record. This can be obtained from the local police station.
- Any other good reason the Association can demonstrate as having a deterrent effect if mutual exchange is approved.

All actions should be completed on the Mutual Exchange Checklist (**Appendix 2**)

If everything is checked in respect of the tenancy and none of the above apply a Mutual Exchange letter 1 should be sent (**Appendix 3**)

Send an application form, marked "Mutual Exchange" and the address of the St Vincent's property, and Mutual Exchange letter 2, (**Appendix 4**), to the incoming tenant.

Send Mutual Exchange 3, (**Appendix 5**), to the incoming tenant's Landlord requesting details of the tenant's tenancy including rent account details and other breaches of tenancy.

When the completed application form is received, the Neighbourhood Officer checks that both properties are suitable for an exchange. **See 8.4**

If both properties are considered suitable for an exchange, the Neighbourhood Officer arranges a home visit using home visit letter, (**Appendix 6**). The visit should be within 2 weeks of receipt of the application form.

The Neighbourhood Officer asks the Surveyor to carry out a joint inspection of the property with the Neighbourhood Officer within 2 weeks.

If the condition of the property is not satisfactory the tenant must make good any damage before the mutual exchange can go ahead.

When all the details have been received and checked, authorisation should be given by the Neighbourhood Manager.

Both parties must be advised that they are agreeing to the condition of the properties and cannot pursue the Association unless it is the Association responsibility. If all parties agree to the exchange, a decision about the date of exchange needs to be agreed. There should be no void period when exchanges take place.

NB The formal date of exchange must take place on a **MONDAY**

To exchange the properties an Assignment of Tenancy must be carried out. This requires a "Licence to Assign Tenancy", (**Appendix 7**), and an "Assignment of Tenancy", (**Appendix 8**)

Mutual Exchange Property Acceptance should also be completed by the incoming tenant (**Appendix 9**).

The Neighbourhood Officer must order gas and electric checks and ensure these are done on the day or within a few days of the exchange of the Assignment.

If the exchange is refused, notify all parties in writing giving reasons, Refusal Letter 5 (**Appendix 10**).

8.4 Refusing Permission to Exchange

- a) Over occupation or under occupation
- b) Any Notices in force on the property
- c) Other grounds contained in Schedule 3 of the Housing Act 1985 as follows:
 - Where a Court Order has been made, giving possession or suspended possession.
 - Where a Notice of Seeking Possession has been served on either the tenant or the incoming tenant under any of the grounds for possession and the Notice is still in force.
 - Where the tenants property is substantially larger than is reasonably needed.
 - Where the property is tied accommodation
 - Where the property is specifically designed for those with special needs.
 - Where the property is designed for the elderly if the incoming tenant does not meet the appropriate criteria.
 - Reasons as highlighted under 8.3

8.5 Assignment of Tenancy

The Neighbourhood Officer completes details for the Assignment of Tenancy and the Licence to Assign Tenancy documents. Three sets of documents are required.

The Neighbourhood Officer must order gas and electric checks and ensure these are done on the day or within a few days of the exchange of the Assignment.

The outgoing tenant must sign all copies of the Assignment of Tenancy and the Assignee must sign all copies of both documents. **NO NEW TENANCY AGREEMENT IS REQUIRED.**

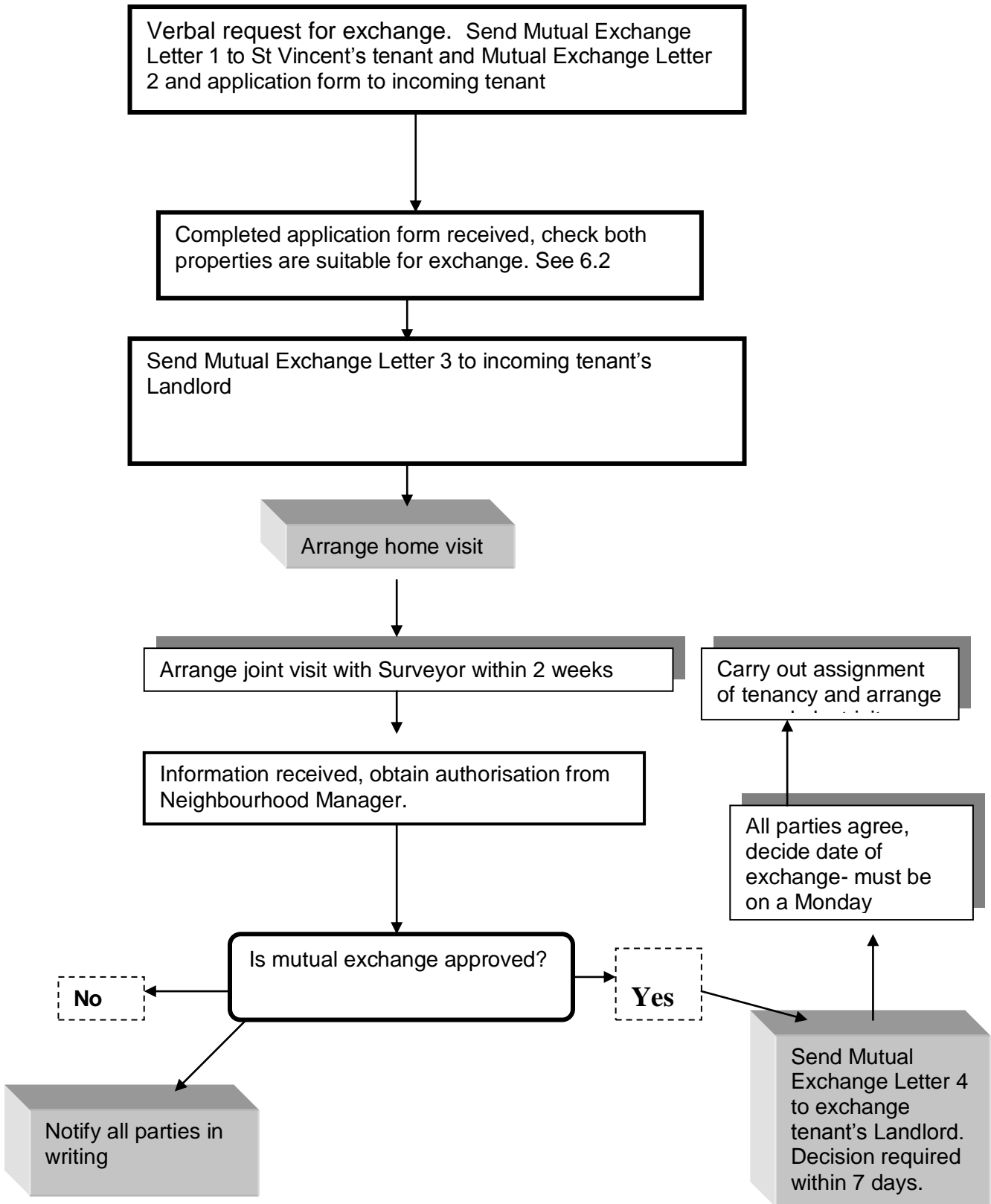
Give one copy of each document to each tenant and to the other Landlord. The Original copy should be kept and filed on the new tenant's file. The former tenant's Tenancy Agreement is kept with the new tenant's file.

Give the new tenant a copy of the former tenant's tenancy agreement. The new tenant must also be given a new rent swipe card and a tenant's handbook.

The Neighbourhood Officer passes all the completed paperwork to the Lettings Assistant who will terminate the outgoing tenancy and set up the tenancy on the system.

The Lettings Assistant updates the Lettings Manager and updates any statistic information e.g. Home Swappers

9.	Appendices
9.1	Mutual Exchange Flowchart



Mutual Exchange Check List

SVHA Tenant :

Address :

Exchanging Tenant :

Address :

Landlord Details :

Notified By : _____ *(Neighbourhood Officer)*

To : _____ *(Neighbourhood Manager)*

ACTION	YES / NO	COMMENTS
Application forms to be sent marked Mutual Exchange (MEX) with Ltr 1 to svha tenant and ltr 2 to incoming tenant.		
Has assignment previously been undertaken.		
Rent Account Check Arrears Valid NSP / PPO / SPO		
ASB Complaints of nuisance within the last 2 years? Valid NSP Injunctions / Undertakings		
Tenancy Type Assured Assured Shorthold		
Will exchange create overcrowding or under occupancy?		
Letter 3 & LL reference form sent to incoming tenants landlord?		

Home visit ltr arranging joint inspection of both properties within 2 weeks of receipt of application forms to both SVHA and incoming tenants.		
Any damage to be made good prior to agreeing to the exchange going ahead?		
Have any alterations been made. If so does the SVHA need to make good or does the incoming tenant accept responsibility?		
Authorisation from Neighbourhood Manager.		Signed:
All parties in agreement and date for exchange agreed (confirmed in writing?).		Date:
Refusal letter and checked grounds for refusal of consent under S3 of Housing Act 1985 (see section 8.4 of policy document).		
License to Assign & Assignments of tenancy completed – copies to be provided to all parties and original kept on the new tenants file.		
New tenant provided with a copy of outgoing tenants tenancy agreement.		
Mutual exchange property acceptance order signed by incoming tenant.		
Gas and electricity checks completed.		Date:
If Mutual Exchange completed within 42 days, if no please explain reasons.		

Authorised by Neighbourhood Manager : _____
Date ____/____/____

Neighbourhood Officer : _____ **Date**
____/____/____

9.3 Mutual Exchange Letter 1

Our Ref: CSG/HOME_EXCHANGE.MEX1L

Dear

Proposed Mutual Exchange Between Yourself and

Further to your recent request for the above exchange of tenancies, please can you complete the enclosed application form. We confirm that an application form has been forwarded to the exchange tenant.

Please note that the Association will make every effort to approve the exchange within one month of receipt of the completed application form. However, the Association may not approve the exchange if it would create overcrowding or under-occupation of either property or there are problems with either tenancy such as rent arrears or Anti Social Behaviour.

The Surveyor and I will make arrangements to visit you once the exchange tenant's application form has been received and ensure that outstanding repairs are completed prior to any exchange taking place.

If the condition of the property is not satisfactory, you must make good any damage before the mutual exchange can go ahead.

If you have any queries regarding this matter please feel free to contact us.

Yours sincerely

Neighbourhood Officer

9.4 Mutual Exchange Letter 2

Our Ref: CSG/HOME_EXCHANGE/MEX2L

Dear

Proposed Mutual Exchange Between Yourself and of

We have been advised that you wish to exchange tenancies with the above named tenant of the Association. Please can you complete the enclosed application form and return it to us. We will then make arrangements to visit you in your home within 2 weeks of receipt of your completed application form and will also contact your landlord for a reference.

Please note that the Association will make every effort to approve the exchange within 1 month of receipt of your completed form. However, the Association may not approve the exchange if it would create overcrowding or under-occupation of either property or there are problems with either tenancy such as rent arrears or Anti-social Behaviour.

It is also important that you are aware that if the Association approves the Mutual Exchange, you accept the property in the condition that you find it and there is no decoration allowance payable.

We enclose herewith a declaration for you to sign and return to us giving your permission to do checks with agencies including, the police, local council, probation and other associated agencies.

If you have any queries regarding this matter please feel free to contact us.

Yours sincerely

Neighbourhood Officer

9.5 Mutual Exchange Letter 3

Dear

Proposed Mutual Exchange Between

Further to the above request to exchange tenancies we confirm that [redacted] has been a tenant of the Association since [redacted], the rent account is [redacted] and the tenancy has been conducted [redacted].

We would be grateful if you could fill in the attached Landlord's reference form within the next 2 weeks

If you require any further information please feel free to contact me regarding this matter.

Yours sincerely

Neighbourhood Officer

9.6

Home Visit Letter

Our Ref: CSG/HOME_EXCHANGEMEXVISIT

Dear

Proposed Mutual Exchange Between Yourself And

Further to your application regarding the above proposed mutual exchange. We are writing to inform you that the surveyor and myself would like to visit you on (insert date and time) to carry out a property inspection and interview.

If this date and time is inconvenient, please can you contact me on 0161 772 2120 to re-arrange the appointment.

We look forward to seeing you then.

Yours sincerely

Neighbourhood Officer

9.7

License to Assign

LICENCE TO ASSIGN TENANCY

THIS LICENCE is made the day of

BETWEEN
Association)

St Vincents Housing Association Limited (the

Of

Metropolitan House,20 Brindley Road,Mcr, M16 9HQ

And

(the tenant(s))

Of

And

(the Assignee(s))

Of

WHEREAS

- (1) By a Tenancy Agreement (the Tenancy Agreement) dated
and MADE BETWEEN the Association and the Tenant the premises
known as: (insert address) were let to the Tenant from (insert date tenancy
commenced) under a weekly periodic tenancy (the Tenancy).
- (2) The current weekly rent payable under the tenancy Agreement is £xx.xx
and the Tenancy is otherwise subject to the terms and conditions contained
in the Tenancy Agreement.
- (3) The Tenancy Agreement contains a provision prohibiting assignment of the
Tenancy without the prior consent of the Association having been obtained.
- (4) The Tenant wishes to assign the tenancy to the Assignee and the
Association
has agreed to give consent on the terms set out in this Agreement.

NOW IT IS AGREED as follows:

1. In consideration of the covenant on the part of the Assignee given in clause

2

below the Association hereby consents to the Tenant assigning the tenancy to the Assignee.

2. The Assignee hereby agrees with the Association to pay rent due at the time and in the manner specified in the tenancy Agreement and to observe all the terms and conditions of the Tenancy Agreement.
3. In consideration of the covenant on the part of the Assignee given in clause 2 the Association hereby releases the tenant from all liability in respect of the rent payable under the terms and conditions.
4. This licence shall not extend to any further assignment of the Tenancy and shall not affect or prejudice any of the terms and conditions contained in the Tenancy Agreement.

A WITNESS the hands of parties:

SIGNED by:

1. **for and on behalf of the Association**
2. **The Assignee**

NB The Tenant does not need to sign this document

NB If the Association was not the landlord at the time of the grant of the tenancy the wording of this document will need to be changed slightly. The same applies if the Tenancy is not the original tenant but acquired the Tenancy on assignment or succession.

9.8

Assignment of Tenancy

ASSIGNMENT OF TENANCY
This DEED OF ASSIGNMENT is made the (insert date)

BETWEEN (the Tenant)
of

and
(The Assignee)

of

WHEREAS

(1) By a tenancy agreement (the Tenancy Agreement) dated (insert tenancy date) and MADE BETWEEN **St Vincent's Housing Association** , and the Tenant the Premises known as (insert address) were let to the Tenant from (tenancy commencement date) under a weekly periodic tenancy (the Tenancy.

(2) The current weekly rent payable under the Tenancy Agreement is £ and the Tenancy is otherwise subject to the terms and conditions contained in the Tenancy Agreement

(3) The Tenant has agreed to assign the Tenancy to the Assignee IN PURSUANCE of this Agreement, this Deed witnesseth as follows:

1. The Tenant hereby assigns the Tenancy to the Assignee for the Assignee to hold under a weekly periodic tenancy at the current rent and subject to the terms and conditions contained in the Tenancy Agreement - with effect from 15thSept. 2008.
2. The Assignee hereby agrees with the Tenant to pay the rent due at the times and in the manner specified in the Tenancy Agreement and to observe all the terms and conditions of the Tenancy

Manchester, M16 9HQ

Occupation: Neighbourhood Officer

9.9

Mutual Exchange Property Acceptance Order

Mutual exchange property acceptance order

I hereby agree to accept the exchange property of..... with St Vincent's Housing Association in it's current state of repair. I fully understand and accept that any improvements including fixtures and fittings that have been carried out by the exchanging tenant without our written permission are my responsibility and I agree to put right when I leave the property.

I understand if I don't put right any improvements the Association will recharge me for any works carried out to put the property back in its original state.

I understand that St Vincent's Housing Association will not have any responsibility for maintaining, servicing or replacing any items the exchange tenant has left for me.

Name(s): _____

Address:-

Signed:
