# **Introduction**

Some people cannot access the rental market because property owners would prefer to rent to people who have a history of successful rental in a particular location (i.e. references from past landlords), who have a credit rating/ financial history in the country, or who can clearly demonstrate they can afford the rent. As such this can exclude the people the Red Cross Red Crescent National Societies are trying to support. To overcome this, the National Society can act as a Guarantor.

Tools and Examples from the toolkit, that may be useful to assist here include:

* 3.6\_Example\_Rent Guarantee\_SchemeInfo\_RentalAssistanceENG.docx & 3.6\_Example\_Fiche Garantie CRL\_RentalAssistanceFR.pdf
* Document describing in French and English the rent guarantee scheme offered by the Luxembourg Red Cross
* 3.6\_Example\_GLEL-L (version 2023) pour info\_RentalAssistance\_FR.pdf 3.6\_Example\_Rent\_Guarantee\_Example\_Template\_RentalAssistance\_ENG\_FR.docx
* Example and template related to the rent guarantee signed between the NS and the tenant used by Luxembourg Red Cross. Note that a copy is then sent to the property owner, but the property owner is not party to the contract with the NS.
* 3.6\_Example\_DeclarationToManageIncome\_RentalAssistance\_ENG\_FR.docx
* A real example of a declaration used in Luxembourg, where it is possible to establish a bank account where the individual (the tenant) can give control to an accredited 3rd party organisation to manage the bank account on their behalf. This is used in the few instances where a person is not able to manage their own account to prioritise paying the rent. With some caseloads it is a prerequisite of taking part in the rent guarantee scheme that the declaration is completed.

# **General Guidance**

As part of previous steps, it will be clear what the barriers are to prospective tenants to accessing the rental housing market. If there is concern by property owners over the potential for damage or whether rent will be paid on time, it may be possible for the National Society to offer a rental guarantee, sometimes known as acting as a “Guarantor” to make the tenant more attractive to property owners vs. other more “normal” tenants.

From the experience of Luxembourg Red Cross, it was better to sign the agreement related to the rent guarantee with the tenant directly and send a copy to the property owner, so rely on the credibility of the National Society, rather than enter into an agreement with the property owner or a tri-partite agreement. This reduces risk.

In general acting as a Guarantor to guarantee the rent if the tenant fails to pay or to guarantee to pay for any damage that exceeds the deposit amount, increases the risks for the National Society. However, it may be a small and manageable risk when spread across a wide number of programme participants, and can support a successful rental programme where otherwise (in some contexts) property owners may refuse to rent to the target population. *Note that in some countries it is possible to pay a 3rd party to act as a guarantor, like paying for insurance.*