



Guarantee Agreements: Information for Guarantors

When landlords aren't sure they can rely on someone who wants to rent from them, they can ask the applicant to find someone to sign a guarantee agreement (a guarantor). The agreement says that if the rent (or other charges) is not paid, the guarantor may be responsible (have to pay the landlord) that rent. If you agree to sign a guarantee agreement for someone who's renting, you must know what you are agreeing to before you sign.

What is a guarantor?

A guarantor is a person who agrees, in writing, to cover the payment of any money a tenant owes a landlord while the tenant is renting. The money can be for unpaid rent, damages or repairs for the rental unit. If you sign a guarantee agreement, you are the guarantor.

What is a guarantee agreement?

A guarantee agreement is a written document signed by you and the landlord that states what payments the guarantor is going to cover if the tenant does not. The total limit of the amount the guarantor is responsible for must be stated in the agreement. See *Guarantee Agreements: What they must include* fact sheet for more information. Copies are available from any Residential Tenancies Branch office or online at www.manitoba.ca/rtb.

What about rent increases and sublets?

The landlord must give you written notice of any increase in rent three months in advance. For example, if the rent is going to go up on July 1, the landlord must give you written notice by March 31. If the landlord does not give you proper written notice, you will not have to cover the amount of the increase, if the tenant does not pay it.

A tenant may ask the landlord for permission to sublet the rental unit. If the landlord agrees, you are not responsible for the sublet unless you agree to sign a new guarantee agreement for the tenant who is subletting. The landlord must give you written notice that they have agreed to allow the tenant to sublet.

The guarantee agreement can be for a fixed term (ex: one year), month-to-month, or for the length of the tenancy. As the guarantor, you need to understand how long you are responsible for the rent and other charges and make sure that the agreement shows this information.

Things to find out before you sign a guarantee agreement

Make sure the person asking you to sign the agreement (the tenant) can pay the full amount of the rent on time each month. If the person has a bad credit history, ask how they plan to pay the payments.

(see over)

Landlords can sometimes get permission from the Residential Tenancies Branch to raise rents above the government guideline amount. This can mean big rent increases, so ask the landlord if he/she plans to do this.

Some units/buildings are exempt from (do not have to follow) the rent increase guidelines (ex: the building is only a few years old). This means the landlord can charge any amount for rent and can raise the rent by any amount. Ask the landlord if the building or unit is exempt or is about to be (ex: major renovations, additions or upgrades to a building).

Ending a guarantee agreement

If the tenancy agreement (lease) is for a fixed term (ex: one year) you cannot end a guarantee agreement before that, **unless** the guarantee agreement says you can.

If the lease is for a fixed term (ex: one year) and the guarantee agreement says that you will be responsible for one or more renewals, you can still end the guarantee agreement by giving the landlord written notice two months before the current lease ends. For example, if the lease started on July 1 and ends the following June 30, you can give written notice by April 30 to end the agreement on June 30.

If the lease is a month-to-month agreement, you can give the landlord written notice that you will no longer be a guarantor, one payment period in advance (ex: if it's for July 1, you must give written notice by May 31).

Note: Landlords cannot charge you any money, except the fees allowed under The Residential Tenancies Act or The Life Leases Act. To see copies of these Acts, go to www.manitoba.ca/rtb.

For more information:

This fact sheet is only a brief explanation. For more information on **guarantee agreements**, contact the Residential Tenancies Branch or go to www.manitoba.ca/rtb.

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This information is available in multiple formats upon request.

Cette information existe également en français. Composez le 204-945-2476.