



Landlord Waiver and Consent FAQs

1. What is a Landlord Waiver and Consent, and why is it necessary?

A business loan, in most cases, requires collateral to help protect the lender's investment if the borrower defaults. If the borrower does not own real estate to use as collateral, the lender can use the property inside a rented space that the borrower owns as collateral, like equipment and furniture. This brings us to the landlord waiver. In their lease, a landlord also uses the tenant's property as a guarantee in case the tenant doesn't pay their rent. When the landlord signs the waiver, they are waiving their first priority rights to claim that property, giving Lendistry first priority in case of default for the term of the loan. When the loan is paid in full, the rights to the tenant's property returns to the landlord.

2. How can a tenant secure a loan with a property they do not own?

The tenant is not securing the loan with the real estate, but with the property inside it which they do own, like furniture, equipment, inventory, etc. Most leases give the landlord the right to claim this property and sell it to recoup unpaid rent. The Landlord Waiver and Consent gives Lendistry the right to claim that property first if the business loan defaults.

3. If a tenant defaults on their business loan, can the lender make a claim on the landlord's property?

No. This waiver does not give Lendistry any claim or lien on the landlord's property or the real estate the tenant rents. In the case of unpaid debt, Lendistry claims first rights to the tenant's property before the landlord.

4. What is the benefit to a landlord signing this form?

A small business loan gives the business owner more capital with which to pay their bills, making them a better tenant. Signing this agreement won't necessarily guarantee they continue to pay their rent any more than their lease does, but it makes them more financially stable and therefore more likely to pay their rent and maintain the property's value. By signing this waiver and consent form, the landlord makes it possible for Lendistry to move this loan forward so the borrower can grow their business. Both Lendistry and the landlord benefit if the business succeeds and is able to make continual payments.

5. What are the must-haves and required documents?

The landlord must notify Lendistry if the tenant is under default in their lease. In addition, Lendistry must have first access to the borrower's property for the entire term of the loan, until it is paid in full. Once the loan is repaid, that first right returns to the landlord.





6. What is not acceptable?

This waiver only waives the landlord's right to claim the borrower's property before the loan is repaid. At no point will Lendistry assume the lease. It is also unacceptable to limit the time on the waiver. Lendistry assumes first rights until the loan is paid in full.

** Please note: In order to move through this process expeditiously, please provide a copy of your current, executed lease agreement as soon as possible **

