

Client Alert

Parents: Don't Lose Control When You Guarantee Your Child's Lease

October 8, 2012 – As college students move into apartments off campus, they often do so with roommates, and it is not uncommon for their new landlords to require that a parent execute a guaranty of the lease obligations. If you agree to provide such a guaranty, it is important to make sure that the guaranty *expressly states that it terminates when your child vacates the apartment* – notwithstanding the fact that your child's roommate may elect to remain.

A standard guaranty will likely not provide for such a release. If it does not, problems can arise in a number of ways. For example, if your child moves out of the apartment, and the roommate elects to modify the lease and extend the term with a new roommate, a guaranty that lacks such a release will stay in effect during the extended term. In addition, if your son or daughter assigns his or her interest in the lease to the new roommate when he or she moves out, this will give the landlord the ability to modify and extend the existing lease and keep the guaranty – if it lacks such a release – in place.

Another way to protect yourself is to include in the guaranty either a provision stating that the lease may not be amended, extended or modified without the guarantor's consent, or a provision stating that the guarantor's liability may not be increased above that set forth in the original lease by amendment, extension or modification, unless the guarantor expressly consents to such amendment, extension or modification.

For further information regarding this issue and other real estate law issues, please contact:

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