

Affordability Calculator User guide

The affordability calculator should only be used for new business, please do not use the calculator for additional lending, portability or transfer of equity applications.

This guide is intended to give you hints and tips on how to complete each question on the calculator in order to obtain a more accurate calculation, but remember, the affordability calculator will only give you a quick estimate of how much your client/s can borrow - it is not an exact amount.

Please complete a Lending Decision online to find out how much we will lend to your client (all loans are subject to criteria) - **you can check our online criteria guide for details of our criteria and evidence required.**

Click the **Help** box for further information

Enter details of your client's income

Applicant 1

Employed/Retired clients

Annual gross income	<input type="text"/>
Annual regular bonus and/or overtime	<input type="text"/>
Annual regular commission	<input type="text"/>
Annual income from 2 nd job (50%) (see Help)	<input type="text"/>
Car, Weighting/Large Town allowance	<input type="text"/>
Shift, Standby, Call out allowance	<input type="text"/>
Rent or Housing allowance	<input type="text"/>

Self employed clients - Sole traders and Partnerships only

Please state the client's share of annual net profit (£)

Latest year	<input type="text"/>
Year 2	<input type="text"/>
Year 3	<input type="text"/>

Salaried / Non-salaried directors

Annual remuneration	<input type="text"/>
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Please state the client's annual net dividends (£)

Latest year	<input type="text"/>
Year 2	<input type="text"/>
Year 3	<input type="text"/>

Employed/Retired clients

- Enter the annual gross income amount. If the applicant has 2 part-time jobs which equate to a single full time job (up to 40 hours), we will utilise 100% of both incomes; enter the full amount in the "Annual gross income" box.
- If the applicant has a full-time job (main job) and a part-time job, we will use 50% of the income from the second job - please only enter 50% of the gross income amount for the second job.
- For bonus, overtime, commission and allowances, enter the gross annual amount received. Any payments made in lieu of benefits can also be included within one of these boxes.
- Retired applicants: if the applicant is within 5 years of retirement - only enter the post retirement income or current salary whichever is lower. 'Retirement' is defined as age 65 or the applicant's retirement age whichever is earlier.
- If the applicant is receiving pension income and employment income, include 100% of pension income in the "Annual gross income" box.

Self employed clients - Sole traders and Partnerships only

- Enter the applicant's share of net profit for the latest 3 years. If 3 years figures are not available enter the net profit figures for the latest 2 years - please do not enter any projected figures.
- For limited company directors, use the "Salaried / Non-salaried directors" section below.

Other Income

Maintenance / Child Support

Gross rental income (where complies with criteria, see Help)

Enter details of your client's outgoings / expenditure

Monthly outgoings - to remain outstanding

Monthly loans/HP commitments

Total credit card balances

Monthly Maintenance / Child Support payments

Monthly school/nursery/child care fees

Monthly mortgage payments

Monthly amount of other significant outgoings (see Help)

Monthly outgoings - to be repaid

Monthly loans / HP commitments

Total credit card balances

Other Income

- Rental income - may only be utilised where our self-employed criteria can be met. Check our online Criteria Guide for full details.

Monthly outgoings

- Enter the monthly amount for all outgoings listed.
- Other significant outgoings are outgoings that the applicant(s) could not or would not cease paying if they needed to reduce expenditure.
- Monthly mortgage payments to include are those on properties that are about to be let, have been let for less than 6 months, or that are to remain outstanding.
- Please ensure you enter the debts which are to be repaid in the appropriate section.

EXCLUDE:

- General outgoings, food, fuel, council tax utilities
- Any mortgage payments if the mortgage will be repaid before your new one begins
- Any mortgage payments if you let the property, it has been let for more than 6 months and the rent you receive is at least 50% higher than the mortgage payment

Enter details of your client's mortgage loan requirements

Number of adults aged 17 and over who will be residing in the property, including the applicant(s)*

Number of children under the age of 17 who will be residing in the property*

Term of mortgage * Years Months

Purchase Price / valuation

Loan amount (if known)

Loan amount on Repayment

Loan amount on Interest Only

Mortgage loan requirements

- Interest Only is available for applications at 75% LTV or below, all other applications can only be accepted on a Repayment basis.
- Term of mortgage: the loan must be repaid by age 75 of the eldest applicant.
- Purchase Price / Valuation and Loan amount - including this information will provide a more accurate calculation. Lower LTVs may benefit from higher borrowing figures.