Monthly Minimum Surplus Income Policy for Shared Ownership Applicants.

SCOPE

This policy applies to every new Shared Ownership home sold by Greatwell Living and is published to ensure all applicants are aware of our policy approach when purchasing a Shared Ownership home. If you have any questions about this policy, please speak to a Greatwell Living sales officer.

The policy is to ensure any potential purchaser has a safety net of surplus income and is not putting themselves at financial risk by over-reaching in their purchase.

POLICY STATEMENT

Greatwell Living works with a specialist Shared Ownership mortgage advisor to qualify and financially assess each applicant prior to them reserving a Shared Ownership home. While alternative advisors may offer alternative views on surplus income, we will only be informed by our suggested mortgage advisors' calculations.

The minimum surplus income is the minimum amount of your gross income that an applicant should have remaining after commitments. Surplus income will be calculated on a monthly basis.

Our minimum surplus income is 10%.

An example of the surplus income calculation is outlined below:

Item	Example/Explanatory notes
A. Gross income	• Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by a specialist mortgage broker • Any Universal Credit or benefit income • Any guaranteed maintenance payments
B. Gross deductions	• Income Tax • National Insurance • Pension Contribution • Student Loan • Other payslip deductions
C. Commitments	• Credit commitments include personal loans, PCP, HP, etc. • Credit and store cards • Childcare costs • Care costs
D. Housing costs	• Stress tested rental figure • Service charge

E. Net income for mortgage purposes	E is the remaining income once B, C and D have been deducted from A.
F. Mortgage payment	The indicative mortgage payment as determined by the advisor. Where possible, the mortgage payment (F) should not exceed 30% of E. *NB: This may be exceeded in cases where the advisor feels that there is a justification for doing so and where the Customer is still subsequently able to satisfy the provider's budget surplus policy.*
G. Essential costs	• Council Tax • Utilities • Food • Fuel and travel • Insurances • Other
H. Surplus income	This is the figure remaining once F and G have been deducted from E. This figure should be at least 10% of the original figure A (gross income).