

Household Expenditure Guide

Important background information

The Society has a regulatory obligation to assess the ability of all applicant(s), ensuring they can afford their mortgage payments and repay the amount advanced plus any interest expected to accrue.

In all cases our final decision on whether to lend is reached by assessing each applicant using our bespoke **Affordability Calculator**. However, you need to be aware that our online application **Portal**, like most others, uses **ONS** data to enable an automated decision regarding affordability to be provided.

Our bespoke **Affordability Calculator** enables you to input values which reflect your clients' specific circumstances and can often prove to be more accurate. We'll use the figures you input to the calculator to carry out comparison using bank statements and other tools.

The section below provides guidance on how to complete the various elements of the household expenditure section of the calculator.

Please Note: If the calculator confirms a case is affordable but when input to the online **Portal** it's declined you need to refer it to our Broker Support Team.

Monthly amount for school/nursery/college/university fees

If the applicant(s) have nursery/childcare costs that show on bank statements, wage slips or that are payable by other means it's important that these figures are inputted. We'd also expect costs related to any financial support provided to dependants studying in further education to be included.

Monthly Council Tax payment

Provide the monthly council tax payment* for the onward purchase or current property if the application is for a remortgage. *This figure should be the result of the annual total bill divided by 12.

Monthly payments for all existing insurance policies and pensions

Provide the total for all applicants combined of building, car, life and other insurance policies payable along with monthly pension contributions in this section. This should include deductions from salary for occupational pension schemes, and any payments to personal or additional pension plans.

Monthly amount for food and drink

Please provide the figure the applicant(s) household spends or will spend on average per month for food, drink, tobacco, alcohol, washing, cleaning and toiletries etc.

Please Note

A copy of the completed Affordability Calculator must accompany all submitted applications. We use this data to cross reference against bank statements and other facilities used to verify affordability.

Monthly amount for travel/transport

Please provide the combined monthly amount the applicant(s) will pay for petrol, servicing, road tax and MOT or other means of transport (bus/train) to get to and from their main place(s) of work.

Monthly amount for housing, fuel, power and communication

Please provide the combined monthly amount the household will spend on water, gas, electric, TV license, Sky TV or equivalent, landline and mobile phones.

Other expenditure

Provide the combined monthly amount on average the applicant(s) are or will be spending on the following.

- Social activities, eating out, gym membership
- Netflix subscription services or equivalent
- Clothing and footwear
- Household repairs
- Likely white goods purchases such as washing machines etc.