|  |  |
| --- | --- |
| **Item** | **Examples / Explanatory Notes** |
| 1. **Gross Income** | * Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by the advisor. * Any Universal Credit or benefit income * Any guaranteed maintenance payments |
| 1. **Gross Deductions** | * Income Tax * National Insurance * Pension Contribution * Student Loan * Other payslip deductions |
| 1. **Commitments** | * Credit commitments to include personal loans, PCP, HP, etc * Credit and store cards * Childcare costs * Care costs |
| 1. **Housing Costs** | * Stress tested rental figure *(please refer to Chapter 1, section 6B.7.7 of the Capital Funding Guide)* * Service charge   *NB: A lender may use the specified rent for mortgage affordability purposes. The stress tested rent must be used for the budget planner.* |
| 1. **Net Income for Mortgage Purposes** | E is the remaining income once B, C and D have been deducted from A. |
| 1. **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.* |
| 1. **Essential Costs** | * Council Tax * Utilities * Food * Fuel and Travel * Insurances * Other |
| 1. **Surplus Income** | This is the figure remaining once F and G have been deducted from E. This figure should be within the provider’s policy in respect of surplus income, or within their agreed and tolerance. |

***Homes England Budget Planner Guidance Note***

*The below is intended to aid advisors in completing a suitable budget planner as required by Homes England’s affordability guidance. The items and examples above do not represent an exhaustive list but should serve as a guide setting out the minimum expectations for what such budget planners should contain.*