|  |  |
| --- | --- |
| **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 6.7.7 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.*