



THE BASICS OF SURPLUS INCOME



If you'd like to buy a Shared Ownership home from us, whether it's a new home or a resale, it's important to know how much money you'll need to have left over after paying your bills (which we'll refer to in this guide as "surplus income").

Homes England has set out guidelines around surplus income, which we have to follow.

OUR REQUIRED MINIMUM SURPLUS INCOME IS 10%.

This is the minimum amount of your gross income (what you earn before taxes and other deductions) that should be left over after you've covered all your bills.

A. Gross income includes:

- your monthly pay before deductions, including any overtime, commission or bonuses identified by our specialist panel Mortgage Adviser
- any Universal Credit or benefit income
- any guaranteed maintenance payments.

B. Gross deductions include:

- Income Tax
- National Insurance
- Pension Contribution
- Student Loan
- other deductions that might show on your payslip.

C. Commitments include:

- credit commitments such as personal loans, Personal Contract Purchase (PCP), Hire Purchase (HP), etc.
- credit and store cards
- childcare costs
- care costs.

D. Housing costs include:

- your rent (which we stress-test to make sure it's affordable)
- service charge.

E. Calculating your net income for mortgage purposes:

This is the income you'll have remaining, after gross deductions (B), commitments (C) and housing costs (D) have been taken from your gross income (A).



F. Your mortgage payment:

This is how much we estimate you'll pay for your mortgage each month, as determined by the Mortgage Adviser.

Ideally, it should not be more than 30% of your net income (E).

Please note: There might be situations where this can be exceeded, if the Mortgage Adviser thinks it makes sense and it's shown on your budget planner.

G. Essential costs include:

- Council Tax
- utilities
- food
- fuel and travel
- insurances.

H. Your surplus income:

After you've accounted for your mortgage payments (F) and essential costs (G), the remaining amount is your surplus income (H). To meet our guidelines, this figure should be at least 10% of your gross income.

GET IN TOUCH

0800 145 6663

abrihomes.co.uk

The images and illustrations within this brochure/guide/ etc. are stock or computer-generated illustrations and are for guidance only.

Abri and Abri Homes are trading names of Abri Group Limited (a Registered Society under the Co-operative and Community Benefit Societies Act 2014, no. 8537 and a charitable registered provider with the Regulator of Social Housing no. L4172) and The Swaythling Housing Society Limited (a Registered Society under the Co-operative and Community Benefit Societies Act 2014 no. 10237R and a registered provider with the Regulator of Social Housing no. L0689). Registered office: Collins House, Bishopstoke Road, Eastleigh, Hampshire SO50 6AD. Authorised and regulated by the Financial Conduct Authority. The Swaythling Housing Society Limited provides management services for subsidiaries in the Abri group. Further corporate information is available at abri.co.uk

Correct at time of creation – December 2024.

Reservation will be subject to a satisfactory financial assessment. Completion dates are subject to change. Affordability and eligibility criteria apply. All figures are illustrative based upon buying a minimum share. Purchase share values will be determined based upon applicant's individual financial circumstances, in line with Homes England guidelines. Applicants will be referred to a nominated mortgage advisor for a financial assessment and will be expected to maximise the percentage of share they purchase.

Terms and conditions apply, all purchases are subject to affordability and eligibility, and only available on selected developments and properties in England only. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP ON YOUR MORTGAGE.

