

ALLOWABLE GROSS INCOMES	ALLOWABLE %	ACCEPTABLE EVIDENCE
BASIC INCOME	100%	Latest month's Payslip (or 5 consecutive payslips if paid weekly)
TAXABLE ALLOWANCES e.g. Mortgage subsidy / Car allowance / Shift allowance / Large Town allowance	100%	<p>If Non-Variable: Latest month's payslip if paid monthly. 5 payslips if paid weekly</p> <p>If Variable or paid less frequently than monthly: 3 months' payslips are required. (13 payslips if paid weekly)</p>
MONTHLY BONUS (see below table)	50%	<p>Latest 3 months' payslips confirming monthly bonus</p> <p>Please note where amounts vary, we will use the average value as primary income.</p>
MONTHLY OVERTIME OR COMMISSION	100%	<p>Latest 3 months' payslips and last year's P60/HMRC Annual Tax Summary</p> <p>Please note where amounts vary, we will use the average value as primary income.</p>
QUARTERLY/ANNUAL BONUS	50% (100% for Income Multiples)	<p>Latest 2 years' P60s</p> <p>Or</p> <p>HMRC Annual Tax Summary</p> <p>Or</p> <p>Latest 2 years' Tax Year End payslips (showing total income) (normally March) Or</p> <p>Previous 2 years' individual payslips (showing bonus payments) where customers have basic income and allowances ONLY</p>

<p>SELF EMPLOYED – INCLUDES: FOSTER INCOME LIMITED LIABILITY PARTNERS</p>	<p>100%</p>	<p>Latest 2 years' HMRC tax assessments (SA302) Or Latest 2 years' Tax Calculations* And Latest 2 years' tax year overviews (Most recent year can be replaced by trading accounts) Previous year tax overview must show tax has been fully paid</p>
		<p>In addition to the above requirements</p>
		<p>For Limited Companies:</p> <p>Most recent year's trading accounts produced by a qualified Accountant (dated within 18 months of the application start date)</p> <p>Underwriters may accept unsigned accounts if verified through Companies House.</p> <p>Equity Partner in a LLP</p> <p>A letter from a Finance/Senior Partner confirming level of income And 3 full, consecutive months' bank or building society statements confirming receipt of income</p> <p>Overseas profit</p> <p>Where overseas profit is remunerated in Sterling with no exchange from any foreign currency this income can be considered. To evidence this information, the letter from the Finance Director/senior partner, mentioned above, must also confirm the following:</p> <ul style="list-style-type: none"> • How long the applicant has been a partner in the firm; • Applicants level of Income; • Jurisdiction where the applicant is based; • That the applicant is contracted and remunerated in sterling (with no exchange from any foreign currency);

		<p>*A Tax Calculation is either</p> <p>An online print from the HMRC website showing the breakdown of the customer's income – customers should be recommended to use this approach, or</p>
		<p>The calculation or computation submitted by the customer's accountant to HMRC, this should be produced via accountants' commercial software and will need to have the unique tax reference number (not required if present on Latest 2 Years' Tax Year Overviews provided) and customer's name.</p> <p>SA302 provided by HMRC – where online version is not available</p> <p>Tax Year Overviews should only be accepted where they demonstrate full payment of any tax liability. Where Year 2 documentation does not demonstrate this, underwriters have discretion to request financial accounts however any outstanding tax liability must be accounted for when assessing affordability.</p> <p>All supporting documentation provided for the most recent year (Year 1) must relate to a period ending no earlier than 18 months prior to the date of mortgage submission.</p> <p>It is not acceptable to rely on Tax Calculation alone as verification of UK taxable income.</p>
RENTAL INCOME	100%	<p>To show rental income, latest 3 consecutive full months' bank statements showing the rental income.</p> <p>And</p> <p>To show mortgage payments we require latest full months' bank / building society statement or Annual Mortgage statement for all existing residential and BTL/PTL mortgages not held with Barclays.</p> <p>Profit derived from existing Buy to Let / Investment or 'Permission to Let' properties is NOT an acceptable source of allowable income when considering Personal Covenant Assessment or Solvency.</p>

<p>UNEARNED INCOME e.g. FROM TRUST FUNDS ETC,</p> <p>WHICH ARE FREE FROM ENCUMBRANCES AND WHICH ARE CONFIRMED BY AN ACCOUNTANT AND TAX ASSESSMENTS</p>	<p>100%</p>	<p>Evidence showing a regular income from this source:</p> <p>3 full, consecutive months' bank or building statements</p> <p>And</p> <p>Evidence of the source, e.g. Portfolio and shares,</p> <p>Letter from qualified Accountant* confirming income for last 6 months in addition to advising source, that there are no encumbrances and that the income covers the term of the proposed mortgage.</p> <p>Corresponding Tax Calculation</p> <p>For Trust Fund Income the above letter can be provided by a Trustee</p> <p>Care: assessment required of sustainability and continued affordability over the term.</p>
<p>MAINTENANCE PAYMENTS</p>	<p>100%</p>	<p>Court Order</p> <p>Or</p> <p>CSA/Child Maintenance Service Agreement</p> <p>Or</p>
		<p>Last consecutive 12 full months' bank statements evidencing an established track record of the payments.</p> <p>Care: assessment required of sustainability and continued affordability over the term.</p>
<p>FOSTER INCOME</p>	<p>100%</p>	<p>Foster income should be recorded and evidenced as per Self-Employed income.</p> <p>Note: the number of children under Foster Care should be included as dependents for affordability purposes.</p> <p>Care: assessment required of sustainability and continued affordability over the term.</p>

<p>PENSIONS AND ANNUITIES</p> <p>(CURRENTLY RECEIVING)</p>	<p>100%</p>	<p>Latest pension payslip showing the applicants' address and corresponding full months' bank statement</p> <p>OR:</p> <p>3 months' latest bank statements together with either:</p> <ul style="list-style-type: none"> • Pension Statement, or • Annuity/Pension letter, or <input type="checkbox"/> Pension P60 <p>Pension statements and annuity letters may not be handwritten or amended and must:</p> <ul style="list-style-type: none"> • Show applicant's name and address, which must match that stated on the application form; • Show pension/Annuity companies name, address, telephone number and company's registration number (if Limited) and be on headed paper or show companies stamp; • Show pay dates; • Cover at least one month (5 consecutive weeks); <input type="checkbox"/> Show gross income; <input type="checkbox"/> Show net pay. <p>Pension statements (Private/Company/Slate must:</p> <ul style="list-style-type: none"> • Show regularity of payment; <input type="checkbox"/> Not be older than 12 months. <p>Annuity letters must:</p> <ul style="list-style-type: none"> • Show lump sum invested fund; • Show amount payable monthly; • Show end date if applicable; • Not be older than 12 months
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<p>DISABILITY / STATE BENEFITS as listed in the Disability Discrimination Act 2005</p>	<p>100%</p>	<p>Latest DWP Benefit Statement confirming the source and value of income And Latest 3 full, consecutive months' bank statements showing receipt of benefit income.</p> <p>Care: assess sustainability of income source during full term of the mortgage and level of reliance on state or other benefits.</p> <p>Allowable Benefits:</p> <ul style="list-style-type: none"> • Disability Living Allowance – being replaced by the Personal Independence Payment • Attendance Allowance • Income Support • Council Tax benefit • Invalid Care Allowance • Disability Working Allowance • Incapacity Benefit • Industrial Injuries Disability Benefit • Employment and Support Allowance (replaced Incapacity benefit/Income Support in October 2008) • Universal Credit (can be evidenced by printed statement) • Child benefit** <p>Care: DLA income must be in the name of the mortgage applicant in order to be used in the mortgage application. If DLA income is paid to the mortgage applicant, however, is for the benefit of the applicant's dependant(s), then this cannot be used for the mortgage application.</p>
<p>Permanent Income protection Payments</p>	<p>100%</p>	<p>Policy statement clearly laying out pay-out schedule and amounts.</p> <p>Care: assessment required of sustainability and continued affordability over the term.</p> <p>(Received net of tax and should be treated as such in assessing affordability. "Grossing-up" calculations may be conducted to ascertain an equivalent Loan to Income multiple to be used in the assessment).</p>
<p>**Child benefit</p>	<p>100%</p>	<p>DWP child benefit letter or, if letter not available, 1 full months' bank statements clearly identifying CHB.</p> <p>Care: assessment required of sustainability and continued affordability over the term.</p> <p>Where any applicant earns over £50,000 and/or the children are 13 or over, Child Benefit will not be used in affordability.</p>

Bonus paid monthly or more frequently – Including Bonus, Commission and Overtime paid monthly or more frequently: Capped at 100% of basic salary plus allowances and Self-employed income for the solvency and affordability assessment.

Annualised Bonus – Including any bonus paid less frequently than monthly: 50% used for the solvency and affordability assessment, NOT capped in line with salary.