

ALLOWABLE GROSS INCOMES	ALLOWABLE %	ACCEPTABLE EVIDENCE
BASIC INCOME	100%	Latest months' payslip <b>and</b> Latest months bank statement, consecutive bank or building society statement
MONTHLY BONUS  SEE NOTES	100%	Latest 3 full, calendar months' payslips confirming monthly bonus <b>and</b> Latest 3 full months, consecutive bank or building society statements <b>and</b> Latest P60 or HMRC Annual Tax Summary
MONTHLY OVERTIME  OR  COMMISSION	100%	Latest 3 full, calendar months' payslips confirming monthly overtime and/ or commission <b>and</b> Latest 3 full, months, consecutive bank or building society statements <b>and</b> Latest P60 or HMRC Annual Tax Summary
ANNUALISED BONUS	50% (100% for income multiples)	Latest 2 years' P60s or HMRC Annual Tax Summary  Or  Latest 2 years' Tax Year End Payslips (showing total income) (normally March)  Or  Previous 2 years' individual pay slips (showing bonus payments) where customers have basic income, allowances and annual bonus ONLY

		Note: The Annual bonus must have been paid within the last 35 months								
<b>TAXABLE ALLOWANCES</b>  e.g. Mortgage subsidy / Car allowance / Shift allowance/ Large Town allowance	100%	<p>Latest month's payslip if allowances are not variable and paid monthly (5 payslips if paid weekly). If the allowance is variable and/or paid less frequently than monthly, latest 3 months' payslips are required.</p> <p>Corresponding bank statement(s) is required</p>								
<b>SELF EMPLOYED – INCLUDES: FOSTER INCOME LIMITED LIABILITY PARTNERS</b>  <b>SEE NOTES 4 BELOW</b>	100%	<p><b>Sole Traders, Partners/Directors / Limited Companies / Limited Liability Partnerships / Foster Income:</b></p> <p>Applicants must provide a combination of the following documentation as a minimum requirement.</p> <table border="1"> <thead> <tr> <th>YEAR 1 (Most Recent)</th> <th>YEAR 2</th> </tr> </thead> <tbody> <tr> <td>           Tax Calculation *             And either;             HMRC Tax Year Overview showing the full tax liability has been paid             Or             Financial Accounts produced by a qualified Accountant         </td> <td>           Tax Calculation*And             HMRC Tax Year Overview showing the full tax liability has been paid         </td> </tr> </tbody> </table> <p><b>In addition to the above requirements</b></p> <table border="1"> <tbody> <tr> <td><b>Where a Limited Company</b></td> <td>Most recent years' Corresponding Financial Accounts produced by a qualified Accountant.</td> </tr> <tr> <td><b>Equity Partner in a LLP</b></td> <td>           A letter from a Finance/Senior Partner confirming             level of income   <b>And</b>             3 full, consecutive months bank or building society statements confirming receipt of income         </td> </tr> </tbody> </table>	YEAR 1 (Most Recent)	YEAR 2	Tax Calculation *  And either;  HMRC Tax Year Overview showing the full tax liability has been paid  Or  Financial Accounts produced by a qualified Accountant	Tax Calculation*And  HMRC Tax Year Overview showing the full tax liability has been paid	<b>Where a Limited Company</b>	Most recent years' Corresponding Financial Accounts produced by a qualified Accountant.	<b>Equity Partner in a LLP</b>	A letter from a Finance/Senior Partner confirming  level of income  <b>And</b>  3 full, consecutive months bank or building society statements confirming receipt of income
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		<p>A Tax Calculation is either</p> <ul style="list-style-type: none"> <li>• An online print from the HMRC website showing the breakdown of the customer's income – customers should be recommended to use this approach, or</li> <li>• 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 HMRC reference number and customer's name or</li> <li>• SA302 provided by HMRC – where online version is not available</li> </ul> <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> <p>See '<a href="#">Self Employed</a>' Section of these Guidelines for full details.</p>
RENTAL INCOME	100%	<p><b>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.</b></p> <p>All gross rents received must be declared and verified by last 3 month's Bank Statements</p>
UNEARNED INCOME e.g. FROM TRUST FUNDS / INVESTMENTS	100%	<p>Evidence showing a regular income from this source:</p> <p>3 full, consecutive months' bank or building statements</p> <p><b>And</b></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>
MAINTENANCE PAYMENTS	100%	<p>Court Order</p> <p><b>Or</b></p> <p>CSA/Child Maintenance Service Agreement</p> <p><b>Or</b></p> <p>Last 12 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>
FOSTER INCOME	100%	<p>Foster income should be recorded and evidenced as per Self-Employed income (see self-employed section above).</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>
PENSIONS AND ANNUITIES  (CURRENTLY RECEIVING)	100%	<p>Pension Payslip showing the applicants address and latest Bank Statement</p> <p>OR;</p> <p>3 months' latest Bank Statements together with either:</p> <p>Pension Statement, or</p> <p>Annuity/Pension letter, or</p> <p>Pension P60</p>

		<p>Pension statements and annuity letters may not be handwritten or amended and must:</p> <p>    Show applicant's name and address, which must match that stated on the application form;</p> <p>    Show pension/Annuity companies name, address, telephone number and company's registration number (if Limited) and be on headed paper or show companies stamp;</p> <p>    Show pay dates;</p> <p>    Cover at least one month (5 consecutive weeks);</p> <p>    Show gross income;</p> <p>    Show net pay.</p> <p>Pension statements (Private/Company/Slate must:</p> <p>    Show regularity of payment;</p> <p>    Not be older than 12 months.</p> <p>Annuity letters must:</p> <p>    Show lump sum invested fund;</p> <p>    Show amount payable monthly;</p> <p>    Show end date if applicable;</p> <p>    Not be older than 12 months</p>
<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</p> <p><b>And</b></p> <p>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"> <li>• Disability Living Allowance – being replaced by the Personal Independence Payment</li> <li>• Attendance Allowance</li> <li>• Income Support</li> <li>• Council Tax benefit</li> </ul>

		<ul style="list-style-type: none"> <li>• Invalid Care Allowance</li> <li>• Disability Working Allowance</li> <li>• Incapacity Benefit</li> <li>• Industrial Injuries Disability Benefit</li> <li>• Employment and Support Allowance (replaced Incapacity benefit/Income Support in October 2008)</li> </ul>
<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>