

Doing business with us

A guide to determining how much a client can borrow



This guide helps you to understand our affordability considerations and income multiple requirements and how these impact our lending decisions.

How do you assess affordability and why is it important?

It is important that we demonstrate that an applicant can reasonably afford to repay their mortgage before we agree to enter into a regulated mortgage contract with them. The use of income multiples alone is not sufficient to assess the maximum amount we'll lend.

Barclays takes into consideration both assessments of affordability and also income multiples when assessing an application for a mortgage loan.

If you are aware of the underlying factors that drive these calculations it may help you to make an early decision whether your client is likely to meet our affordability criteria.

We have a detailed 'Affordability' section within our online residential lending criteria section on [intermediaries.uk.barclays](https://intermediaries.uk/barclays)

How do I use your affordability calculator?

Our affordability calculator is designed to help you determine if your clients meet our initial requirements.

Credit searches may be undertaken for all new applications so it's essential that full consideration is given and you and your clients understand these elements prior to submitting an application.

Use the affordability calculator as the starting point to check that the application is affordable before you submit it and to avoid unnecessary credit checks on applications that are likely to fail the credit assessment.

We use an interest stress rate as part of our affordability calculation. These are published on our rate sheets and can be accessed on [intermediaries.uk.barclays](https://intermediaries.uk/barclays)

Refer to the allowable income table within our online criteria to determine how the income should be calculated for the purpose of affordability.

How important are 'Income Multiples'?

It's important to remember that the affordability calculation is only one part of our assessment.

Affordability assessment is the most important part of the application process but income multiples provide a useful addition to affordability by setting an absolute limit to the maximum borrowing total.

To assess income multiples, Barclays takes into account the Loan to Value (LTV), level of income and debt to income ratio.

| Rule | Scenario | Maximum Income Multiple |
|------|--|-------------------------|
| 1 | Income of >=£60k up to 85% LTV | 5.00x |
| 2 | LTV greater than 90% and income <=£60k | 4.00x |
| 3 | Debt to income ratio >=20% | 4.00x |
| 4 | All other Scenarios | 4.49x |

*Debt to Income Ratio is calculated as existing monthly credit commitments/gross monthly income

**Please note the following multipliers apply for specialist schemes:

1. Family Springboard – a maximum multiple of 5.5x applies for incomes above £60,000.
2. Premier and Wealth customers – a maximum multiple of 5.5x applies for repayment loans where at least one applicant earns an income (basic + sustainable allowances + self employed income) of £75,000 or more, or, £100,000 for joint applications where neither applicant earns £75,000.
3. Help to Buy Schemes – a maximum multiple of 4.49x applies

We have a detailed 'Income Multiples' section within our online residential lending criteria on [intermediaries.uk.barclays](https://intermediaries.uk/barclays) (see above). Please review this section regularly to keep up-to-date with any changes.

What happens next?

Once you understand how we assess affordability, make sure you use our online affordability calculator to get a clear indication of how much your client can potentially borrow.

What can I expect?

An understanding of what factors we take into account when we are determining the clients' ability to afford mortgage repayments.

What should I do now?

Read our full range of guides available within the 'Help Centre' on the knowledge section in the Intermediary hub.

Further support



Help Centre on the knowledge section in the Intermediary hub



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