

For intermediary use only

# Doing business with us

## A tutorial on using the residential affordability calculator

1

### Client's mortgage requirements

Mortgage type

---

Property value  Product fee  Number of parts to this mortgage

Tick here if this application includes any element of debt consolidation, or is it a remortgage with further borrowing

---

Repayment type

Loan amount  Interest rate  % Mortgage term

---

### Applicants

Number of applicants  Number of financial dependants

Tick here if either of the applicants are Barclays Premier or Wealth customers

Select **Barclays Residential Mortgage** from the **Mortgage type** drop down unless you're applying for a Family Springboard or Help to Buy: Equity Loan

Input the **mortgage loan amount** and the proposed **mortgage term**. When you input an interest rate this should be the pay rate for the proposed mortgage product.

Input the **number of applicants** for the loan. Include the total number of financial dependants.

Input the product fee if it is to be added to the mortgage. The fee will be included in the affordability calculation.

You are now able to input multiple parts within the calculator (for example where there are different rates/terms) you can do this by selecting the number of parts from the relevant drop down and then completing the fields for each part of the mortgage.

Please ensure you correctly stipulate the criteria around debt consolidation and whether the applicants are Premier or Wealth as this will impact the affordability calculation.

**A specific mortgage affordability interest rate will be used to calculate affordability. Further details can be found on the residential rate sheets.**

This tutorial details how to use our online affordability calculator to check that the application is affordable before you submit it, and to avoid unnecessary credit checks on applications that are likely to fail a credit assessment.

2

### Applicant one

#### Income

Tick here if the applicant has employed income

Annual basic income  Annual bonus for the current year  Annual bonus for the previous year

Monthly sustainable allowances  Monthly overtime

Monthly commission  Monthly bonus

Tick here if the applicant has self-employed income

Annual income before tax for the most recent year  Annual income before tax for the previous year

Annual non-taxable income  Annual pension income

#### Commitments (remaining after completion)

Credit card balance  Overdraft balance  Other monthly credit commitments

Monthly service charges, ground rent and council tax  Monthly maintenance, childcare (including Child Tax Care vouchers) and school fees  Other regular monthly commitments (please do not include pension contributions)

Enter **employed** and/or **self employed** income as appropriate. Note we have recently included inputs for pension income and non taxable income such as child benefits to be included in affordability. Please refer to the online Residential Lending Criteria guide and the sections, Affordability and Allowable Income to determine all appropriate income sources that can be considered.

Complete **expenditure**. Note – for current credit card balances and overdrafts the system automatically deducts 3%.

**Other monthly credit commitments:** school fees, hire purchase, loan payments.

**Other regular commitments** include any childcare tax vouchers, unencumbered property costs and any other regular commitments.

*Tip: other deductions that show on an applicant's payslip may be ignored if they are optional extras e.g. Share Save, gym membership or share purchase.*

3

Other residential mortgages

Number of other residential mortgages ?

1

---

Residential mortgage one

Mortgage amount Interest rate Mortgage term

£ %

Input **Other residential mortgages** in the background.

4

Number of buy to let mortgages

1

Number of permission to let mortgages

1

Monthly buy to let and permission to let mortgage payments

£ 1000

Input details of Buy to Let (BTL) properties or properties currently held on Permission to Let (PLT).

5

Calculate Reset

This mortgage is affordable

Total monthly income	Total monthly commitments
£ 5,288.00	£ 0.00
Requested mortgage monthly repayments	Other residential mortgage monthly repayments
£ 1,035.00	£ 0.00
Disposable income available	Disposable income required
£ 4,253.00	£ 1,179.00
Applicant one annual bonus to input into MAX	
£ 0.00	

Download result as PDF

Click '**Calculate**' button:

The calculator will automatically determine your applicant's monthly income, monthly expenditure and other mortgage repayments.

It will also confirm the cost of the requested mortgage monthly repayment (calculated using our interest stress rate) and determine whether the actual disposable income fits in line with our required disposal income.

The Affordability Check result will confirm whether the mortgage is then affordable.

Please note that the PDF generation option is for Intermediary or internal Mortgage Adviser use only and is not intended nor has it been approved as a qualifying credit promotion.

**Our affordability calculator can be accessed from the homepage of our website intermediaries.uk.barclays – internal colleagues can also access this tool via Barclays intranet. The calculator result should be considered in conjunction with our income multiple requirements.**

Further support



Visit the knowledge (help centre) in the Intermediary hub



Get in touch via web chat