



Shared Ownership Surplus Income Policy

Scope

This policy applies to every Shared Ownership home sold by GreenSquareAccord and is published to ensure that all prospective buyers are aware of our policy approach when purchasing a Shared Ownership home.

The 'monthly minimum amount of surplus income' is an amount of money that a customer should have at the end of each month once housing costs and other financial commitments have been accounted for. This is designed to ensure that every prospective buyer undergoes a thorough and fair financial assessment, supporting the principle that Shared Ownership should be accessible and sustainable for a diverse range of potential homeowners.

If you have any questions about this policy, please speak to a GreenSquareAccord sales advisor.

Policy Statement

GreenSquareAccord refer to specialist Shared Ownership mortgage advisors to qualify and financially assess each applicant prior to them proceeding with the purchase of a Shared Ownership home. The costs will be established as part of the affordability assessment and budget planner carried out by an advisor.

This policy defines the criteria and methodology for assessing the 'monthly minimum amount of surplus income' of prospective buyers for Shared Ownership.

The purpose of this policy is to ensure that:

- Prospective buyers maintain a monthly minimum surplus income after all housing costs and financial commitments.
 - Financial assessments prevent over commitment and promote long-term financial sustainability in homeownership.
 - All assessments and decisions are made transparently and consistently, with clear explanation provided to applicants regarding the outcome.
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Monthly Minimum Amount of Surplus Income Requirement

The 'monthly minimum amount of surplus income' is the minimum amount of your gross household income that you should have remaining after housing costs and financial commitments each month.

GreenSquareAccord's minimum monthly surplus is 10%.

Monthly Surplus Income Calculations

The monthly surplus income calculations as specified by Homes England is shown below:

Item	Examples / Explanatory Notes
A. Gross Income	<ul style="list-style-type: none">• Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by the advisor.• Any Universal Credit or benefit income• Any guaranteed maintenance payments
B. Gross Deductions	<ul style="list-style-type: none">• Income Tax• National Insurance• Pension Contribution• Student Loan• Other payslip deductions
C. Commitments	<ul style="list-style-type: none">• Credit commitments to include personal loans, PCP, HP, etc• Credit and store cards• Childcare costs• Care costs
D. Housing Costs	<ul style="list-style-type: none">• Stress tested rental figure (<i>please refer to Chapter 1, section 6.7.7 of the Capital Funding Guide</i>)• Service charge <p><i>NB: A lender may use the specified rent for mortgage affordability purposes. The stress tested rent must be used for the <u>budget planner</u>.</i></p>
E. Net Income for Mortgage Purposes	E is the remaining income once B, C and D have been deducted from A.
F. Mortgage Payment	The indicative Mortgage Payment as determined by the advisor. Where possible, the Mortgage Payment (F), should not exceed 30% of E. <i>NB: This may be exceeded in cases where the advisor feels that there is a justification for doing so and where the customer is still subsequently able to satisfy the provider's budget surplus policy.</i>
G. Essential Costs	<ul style="list-style-type: none">• Council Tax• Utilities• Food• Fuel and Travel• Insurances• Other
H. Surplus Income	This is the figure remaining once F and G have been deducted from E. This figure should be within the provider's policy in respect of surplus income, or within their agreed and tolerance.

Compliance & Monitoring

This policy is designed in compliance with the guidelines provided by Homes England, and adherence to this policy ensures that GreenSquareAccord operates within the capital funding guide framework.

This policy will be monitored and reviewed considering any significant changes implement by Homes England.
