Affordability Calculator - See Tabs at the Bottom (Circled in Red)

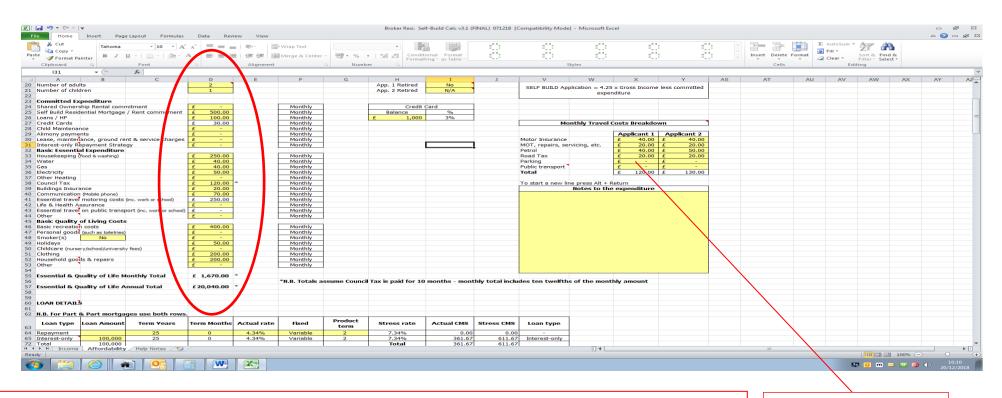1. **Input the Basic Income in the Income Tab and complete deductions where necessary (Pensions/Childcare Vouchers etc.) Add ' other income' if applicable**

2. **Click the Affordability Tab – This will pull through the net Income from the Income spreadsheet.**

3. If the applicant is aged over 80 change the "App 1, 2, - 80 or over & reliant on their income" tab to Yes

4. Complete the Household Size/Commitments Expenditure/Basic Essential Expenditure/Basic Quality of Living Costs

Please complete –
Shared Ownership (If applicable)
Self-Build Residential/Rent (If applicable)
Loans/HP (If applicable)
Credit Cards (If applicable)
Child Maintenance (If applicable)
Repayment Strategy (If applicable)

Housekeeping (must be completed)
Water (must be completed)
Gas (must be completed unless only one energy source)
Electricity (must be completed unless only one energy source)
Council Tax (must be completed)
Buildings Insurance (must be completed unless HA pays)

Leasehold Charges (if applicable)
Communication (must be completed if mobile owned)
Life & Health Insurance (if applicable)
Basic Recreation Costs (must be completed, socialising etc.)
Personal Goods (If applicable)
Smoker (Selected Yes /No Tab) must be completed if smoker
Holidays (if applicable)
Childcare (if additional to vouchers or vouchers not used)
Clothing (must be completed – average)
Household Goods & Repairs (must be completed – average)

Monthly Travel Costs must be completed

4.5 X Single or Joint Income, minus commitments

Applicants need to have 10% disposable Income after affordability assessment which will be reviewed against bank statements

5. Input the Loan amount (Repayment or Interest only) Input the Term in Years, Term in Months, Actual Rate, Fixed or Variable and the Product term

6. If you are taking a mortgage term past the age of 80, or your client is past the age of 80, please change the "Do you want to calculate the projected Income Multiple to age 80" - Maximum LTV's– 95% Mortgage Term to aged 70, Aged 70-80 70% LTV, Age 80 + 60% LTV

7. If the mortgage term will go beyond the applicants retirement age you will need to complete the Projected Affordability Calculator

The following items appear in the spreadsheet screenshot:

	A	B	C	D	E	F	G	H	I	J	V
52	Household goods & repairs			£ -		Monthly					
53	Other			£ -		Monthly					
55	Essential & Quality of Life Monthly Total	£ -	*								
57	Essential & Quality of Life Annual Total	£ -	*								

*N.B. Totals assume Council Tax is paid for 10 months - monthly total includes ten twelfths of the monthly amount

LOAN DETAILS

N.B. For Part & Part mortgages use both rows.

Loan type	Loan Amount	Term Years	Term Months	Actual rate	Fixed	Product term	Stress rate	Actual CMS	Stress CMS	Loan type
Repayment	100,000	25	0	3.39%	Fixed	5	3.39%	499.60	499.60	Repayment
Interest-only		25	0	3.39%	Fixed	5	3.39%	0.00	0.00	-
Total	100,000						Total	499.60	499.60	

ANNUAL BUDGET SUMMARY

Do you want to calculate the projected income multiple to age 80? **No**

		£ -
Total Annual Income After Tax		£ -
Total Annual Spending		£ -
Total Left Over		£ -

Projected Affordability Calculator	Cap. Rep.	RETIREMENT CALCULATOR
Years to retirement age	15	Maximum permitted - 4.5 x Projected Income
Projected mortgage balance at retirement	£ 49,156.23	
Projected income at retirement age	£ 25,000.00	
Projected income multiple at age of retirement	1.966249017	PASS — Within permitted income multiple

MONTHLY SUMMARY BASED ON THE LOAN REPAYMENT METHOD(s)

Disposable Monthly Income	£ -
Less Actual CMS	£ 499.60
Net Disposable Monthly Income	-£ 499.60
% Free Income based on actual CMS	#DIV/0!

STRESS TESTING BASED ON A CAPITAL REPAYMENT BASIS

If the interest rate was 3.39%, monthly repayments on this loan would be approximately £499.6
The stressed monthly repayment on the total borrowing would be £499.6
The % Free Income would be: #DIV/0! #DIV/0!

STRESS TESTING BASED ON THE ACTUAL LOAN REPAYMENT METHOD (IF APPLICABLE)

If the interest rate was 3.39%, monthly repayments on this loan would be approximately £499.6
The stressed monthly repayment on the total borrowing would be £499.6
% Free Income would be #DIV/0! #DIV/0!

1. Input the number of years until retirement
2. The "Projected affordability calculator" will now work out the projected mortgage balance at the applicants retirement age
3. Input the "Projected Income at retirement age" figure – (example, private pension, state pension, rental income, other income combined figure)
4. Provided the "Projected Income multiple at age retirement" shows pass this will fit affordability

8. Results

Stress Testing Based on a Capital Repayment Mortgage

The income multiple should be Green and the % free income should also be Green for the case to be acceptable (10% under 80 years of age, 20% Over 80 Years of age)

Stress Testing Based on Actual Loan Repayment Method

If you have selected Interest only and this shows Green, the case is acceptable even if the "Stress Testing Based on Capital Repayment Basis" is Red.

Monthly ONS Figures when checking against expenditure (examples below)

ONS	1 Applicant	1 Applicant 1 Child	1 Applicant 2 Child	2 Applicants	2 Applicants 1 Child	2 Applicants 2 Child
Food/Groceries	£125.67	£184.17	£240.07	£246.13	£282.97	£352.73
Water	£40.30	£40.30	£40.30	£40.30	£40.30	£40.30
Gas	£52.43	£52.43	£52.43	£52.43	£52.43	£52.43
Electricity	£50.70	£50.70	£50.70	£50.70	£50.70	£50.70
Communication	£45.07	£53.30	£75.83	£75.83	£92.30	£92.30
Recreation	£140.83	£171.17	£203.23	£370.07	£318.50	£405.60
Clothing	£36.83	£91.00	£99.23	£111.80	£128.27	£142.13
Household Goods/Repairs	£83.20	£102.70	£102.27	£185.47	£195.87	£209.30