

Homes England Budget Planner Guidance Note

The below is intended to aid advisors in completing a suitable budget planner as required by Homes England's affordability guidance. The items and examples above do not represent an exhaustive list but should serve as a guide setting out the minimum expectations for what such budget planners should contain.

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	<p>The indicative Mortgage Payment as determined by the advisor. Where possible, the Mortgage Payment (F), should not exceed 30% of E.</p> <p><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></p>
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.