

McCARTHY STONE

Life, well lived

SURPLUS MONTHLY INCOME POLICY

For Older Persons Shared Ownership applicants

McCarthy & Stone (Shared Ownership) Limited (referred to going forward as 'McCarthy Stone') consider all Older Persons Shared Ownership (OPSO) applications received in an impartial, equitable and consistent manner in accordance with Homes England's guidance. McCarthy Stone ensures that no applicant is disadvantaged in their interpretation and application of the guidance. The ultimate responsibility for a decision on whether to accept an application rests with McCarthy Stone.

A financial assessment is conducted by an independent Financial Assessor who is qualified and regulated to provide mortgage advice. As part of the assessment the Financial Assessor will complete a budget planner as required by Homes England's affordability guidance. The Surplus Monthly Income (listed as 'H' below) must be no less than **£100** per month to meet our obligations as set out in the Capital funding Guide but savings may be considered to fund any income shortfall. If this is not met then your application may be declined. The items and examples below do not represent an exhaustive list but provide a guide to setting out some of the inclusions as part of the budget planner:

| Item | Examples / Explanatory Notes |
|--|--|
| A. Gross Income | <ul style="list-style-type: none">• Pension income• Benefit income• Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by the advisor. |
| B. Gross Deductions | <ul style="list-style-type: none">• Income Tax• National Insurance• Pension Contribution |
| C. Commitments | <ul style="list-style-type: none">• Credit commitments to include personal loans, PCP, HP, etc• Credit and store cards• Care costs |
| D. Housing Costs | <ul style="list-style-type: none">• Stress tested rental figure• Stress tested Service charge |
| E. Net Income for Mortgage Purposes | E is the remaining income once B, C and D have been deducted from A. |
| F. Mortgage Payment (if applicable) | 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 McCarthy Stone's surplus policy.</i> |
| G. Essential Costs | <ul style="list-style-type: none">• Council Tax• Utilities• Food• Fuel and Travel• Insurances• Other |
| H. Surplus Monthly Income | This is the figure remaining once F and G have been deducted from E. |