

We have developed this guide to help you ensure that your client's income and outgoings are calculated accurately so that we can assess affordability correctly

1. To ensure you get the same decision at AIP and FMA, make sure you **always** use the Affordability Calculator on www.abbeyforintermediaries.com before you use the AIP
2. Take the outputs from the Affordability Calculator summary screen and enter into the input fields on Introducer Internet
3. To ensure Underwriters use the correct income in their affordability assessment, make sure you enter the income breakdown into the notes section in the FMA

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www.abbeyforintermediaries.com

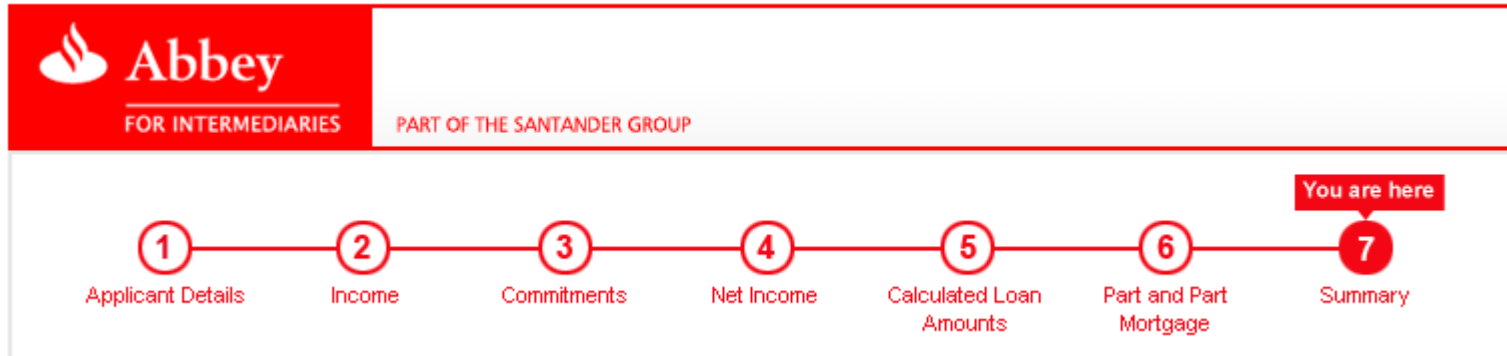
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Form D - Dec 11

Always use the Affordability Calculator on abbeyforintermediaries.com and take the outputs on the Summary screen (7)

STEP 1

Affordability calculator



Summary for Introducer Internet	
Basic Annual Income	£30,000
Other Primary Income	£2,520
Secondary Income	£0
Total Monthly Credit Commitments	£300
Calculated Net Income	£2,044
Entered Net Income	
Other Regular Commitments	£0

Take the outputs from the Affordability Calculator summary screen and then enter the outputs into the marked fields on Introducer Internet

STEP 2

Introducer Internet income screen

Affordability Calculator Outputs

Basic Annual Income

Other Primary Income

Secondary Income

These are zero as they will have been included in the boxes above if you have used the affordability calculator

Enter '0'

Enter '0'

Enter '0'

Total Monthly Credit Commitments

New agreement in principle

Current income details

Basic wage/salary before tax **1** Per year

? Other Primary Income/Allowances **2** Per year

? Secondary Income/overtime/commission **3** Per year

? Other Secondary Income Per year

? Other Employment in same field as Main Employment Per year

? Other Employment not in same field as Main Employment Per year

Financial commitments

Please exclude commitments to be repaid on or before completion.

? Total balance(s) ? Monthly payment

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Always use the Affordability Calculator on abbeyforintermediaries.com and then enter the outputs into the marked fields on Introducer Internet

STEP 3

Introducer Internet commitment screen

Affordability Calculator Outputs

Calculated Net Income or Entered Net Income*

The sum of these should equal the "Other Regular Commitments" entered into the calculator

Amend aip

? Income and commitment breakdown
Mr A Test

a) Total combined net income (as calculated within the affordability calculator) £ 2500

b) Maintenance payments £ 0

c) Nursery/school/college/university fees £ 0

d) Existing life assurance/private health premiums £ 0

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* Using 'Entered Net Income' may lead to Introducer Internet displaying an incorrect decision.

To ensure our Underwriters use the correct income in their affordability assessment, make sure you enter the income breakdown into the notes section in the FMA.

STEP 4

The screenshot displays a web application interface with a navigation bar at the top containing tabs: **Submission form**, **Personal**, **Financial**, **Property to be purchased**, **Loan required**, **Present housing**, **Protecting & insuring**, **Declaration & submit**, and **Information & help**. The **Personal** tab is active.

On the left side, the user's name is **Mr A Test**. Below it, a section titled **Personal details** lists the following fields: Title, Surname, Forename(s), Sex, Previous Title, Previous Forename, Previous Surname, Marital status, Date of birth, Country of residence (with a question mark icon), Nationality (with a question mark icon), and Number of financial dependents.

A **Notes** dialog box is open in the center, titled "Notes - Microsoft Internet Explorer provided by Abbey National Plc". It contains the instruction "Enter any general notes in the area below:" and a text area with the following content:

- Basic - £25000
- Shift Allowance - £5000
- Rental Income - £6000
- Pension - 3%

At the bottom of the dialog box are **Print** and **Close** buttons. The bottom navigation bar includes **Logoff**, **Legal**, **Security**, **Print all**, **Print**, **Notes**, and **Home**.

What we accept as income for affordability purposes

Primary income (we use 100% of these figures)		Secondary income (we use 50% of these figures)
Gross basic ❖ 1 <ul style="list-style-type: none"> • Permanent contract of employment • Fixed term contracts • Short term renewable contracts • Basic salary • Pensions and annuities • Dividends for directors (>20% shareholding only) • Employed income (salary) for director of a limited company • Net profit of a sole trader/partnership • Second job in the same line of work as the primary job 	Other ❖ 2 <ul style="list-style-type: none"> • London weighting • Monthly bonus¹ • Monthly overtime¹ • Monthly performance related bonuses¹ • Monthly commissions¹ • Large town allowance • Permanent shift allowance • Employer's mortgage subsidy • Housing allowance • Car allowance • Working tax credit • Child benefit² • Child tax credit² 	❖ 3 <ul style="list-style-type: none"> • Overtime less frequently than monthly • Second job not in the same line of work as the primary job • Bonuses not paid monthly • Performance related bonuses less frequently than monthly • Commission less frequently than monthly • Discretionary mortgage subsidies and housing allowances • Investment income • Maintenance payments • State benefits (DWP / HMRC) confirmed as indefinite³ • Rental income from mortgage free property • Rental income in excess of 150% of the mortgage payment • Fostering income

¹ Please refer to Income Evidence Guide for further details and requirements.

² Where you are using Child benefit and/or Child tax credit as other primary income, you need to ensure that the mortgage will remain affordable when the benefits end. You must record this fact in the Notes section on Introducer Internet.

³ If a letter from DWP confirms in writing as 'guaranteed for life' this may be used as primary