

ACCEPTABLE INCOME GUIDE FOR RESIDENTIAL APPLICATIONS



FOUNDATION

To discuss your case call today **0344 770 8032**
www.foundationlending.co.uk

For Intermediaries only

EMPLOYED

Income Type	% considered	Proof required	Key as...
Basic salary	100%	Latest payslip	Basic salary
Income from 2nd employment	100%	Latest payslip	Basic salary
Mortgage subsidy	100%	Latest payslip	Basic salary
Maternity/paternity pay	100%	Employer's reference	Basic salary
Travel allowance	100%	Latest payslip	Basic salary
Parental leave	100%	Latest 3 months payslips	Basic salary
Bonus/commission paid weekly, fortnightly or monthly averaged over the last 6 months	100%	Payslips &/or P60	Regular bonus and commission
Bonus/commission paid quarterly averaged over the last 12 months			
Bonus/commission paid half yearly/ annually averaged over last 2 years	100%	Payslips &/or P60	Regular bonus and commission
Bonus/commission paid half yearly/annually in the last 12 months	50%	Payslips &/or P60	Non-regular bonus and commission
Overtime	50%	Latest 3 months payslips	Overtime
Non-regular bonus	50%	Latest 3 months payslips	Non-regular bonus and commission

SELF-EMPLOYED

Please note the following in relation to **Self-employed** applicants

- Where a company director owns 20% or more of the company shares, they will be classed as self-employed
- If you declare income from self-employment, you will be asked to enter the number of years' accounts available
 - We prefer a minimum of 2 years' accounts at application but we will consider less than this. Where there is 1 year's trading or increasing/stable income, enter latest year's income only and add a note to the portal explaining why you are using latest/1 year's accounts
 - Share of net profit can be considered and would be averaged over the last 2 years and should be included in the figures for the relevant year – Certified accounts will be required as evidence or an accountants certificate
- Where the applicant has been self-employed for less than two years, but is working as part of a business that has been established for longer, e.g. has taken over an established business or worked for a family business as an employee and now owns a share of the business, this may be considered on a case by case basis
- Contractors must have at least 3 months remaining on their current contract, or proof of renewal, at time of offer.

Income Type	%	Proof required	Key as...
Sole trader/director either as Primary or secondary income	100%	SA302 & associated tax year overview or accountants certificate or accounts	Self employed
Self-employed	100%	A letter from the senior partner, accountant or practice manager	Self employed
Contractors - day rate x 5 x 46	100%	Umbrella Company Last 3 months' payslips & contract Fixed Term 3 months' bank statements & contract Limited Company SA302 & TYO & contract	Contractor
CIS contractors – last 3 payslips annualised/52 X 46	100%	SA302 or last 3 payslips	Employed/ self-employed/ contractor
Directors pension contributions Directors car allowance Directors health insurance contributions	50%	Certified accounts or accountants certificate confirming the specific values over a 2 year period	Other income

OTHER INCOME

Please note the following in relation to income from Profit from UK Land and Property

- Please key the profit from land and property figure LESS the finance costs; failure to do so could result in reduced affordability result once any application is assessed.
- Land and property income will be excluded from affordability where finance costs exceed the profit from UK land and property figure on the SA302.
- Underwriters may require further information to ensure the portfolio remains self-financing and no future costs need to be accounted for within affordability.
- Where finance costs are not present on the SA302, yet mortgages are disclosed or evidenced, this income maybe excluded from affordability. Underwriters may request further information in order to determine levels of income/expenditure.

Income Type	%	Proof required	Key as...
Income payment protection	100%	Latest bank statement or award letter	Investment income (Fixed income products)
Profit from UK land and property LESS the finance cost	100%	Latest SA302 & Tax year overview	The profit from UK land and property figure LESS the finance costs
Maintenance – court order (for children up to, and including, 14 years old)	100%	Court order	Maintenance court order
Maintenance – CSA/CMS (for children up to, and including, 14 years old)	50%	CSA/CMS Letter or 12 months' bank statements	Maintenance non-court order
Non formal Maintenance Arrangement (for children up to, and including, 14 years old)	50%	Maintenance with no formal arrangement considered (50% income taken) subject to a full 12 months history being available	Maintenance non-court order
Child Benefit (for children up to, and including, 14 years old)	100%	Award letter or sufficient bank statements evidencing payment of this award	Child Benefit
Adoption allowance	50%	Award letter	Other
Carers allowance	50%	Award letter	Other
Universal credit (for children up to, and including, 14 years old)	50%	Award letter	Other
Pension income - private	100%	Pension statement or bank statement or P60	Pension
Pension income - state	100%	Bank statement or pension statement	Other
Investment income	100%	Bank statement/ Award letter	Investment
Dividend income from a portfolio of shares	50%	Accountants certificate	Other
Foster income	50%	Foster Agency Paperwork	Other

Please try the affordability calculator [here](#) to see how much we may be able to lend to your client.

For any other income types, allowances etc please refer to your Regional Account Manager or contact our Broker Support Team on **0344 770 8032** who will be able to advise on acceptability, levels considered and where to key the income in our portal.

Name of Charge	What this charge is for	How much is the charge?
<p>If you are unable to pay your mortgage</p> <p>These are the most common charges you may have to pay if you fail to keep up with your mortgage payments. Some charges, for example those covering unpaid/returned direct debits or cheques, occur at the early stages of your inability to pay (arrears). Other charges, for example, relating to our repossession of the property, may apply later in the process and will be dependent on your circumstances.</p>		
Unpaid/returned direct debit or cheque	Payable when your nominated bank rejects a direct debit collection, or your payment by cheque is returned unpaid by your bank.	£9
Arrears fee	You may be charged an arrears fee on a monthly basis, or when specific events happen in the management of your account when you are in arrears. This covers charges in respect of your account if you fall behind with your payments.	£35
Home Visit Fee	Charged when we instruct a third party to visit you at home to discuss your financial situation and proposals for repaying outstanding amounts on your mortgage or to make an assessment of your property. You will be charged the amount we have to pay the third party, including any charges for failed contact attempts. We will advise you of the amount payable on your statement.	Variable to a maximum of £150
Receivers Instruction fee	Charged when we appoint Receivers to manage the property on your behalf.	£50
Repossession fee	Charged when the property is repossessed (this does not include solicitor's costs or disbursements).	£300
Solicitors Instruction fee	Charged when your account is passed to our solicitors to commence litigation (this does not include solicitor's costs or disbursements).	£50
Unpaid Ground Rent/Service Charge fee	Charged when we receive notification that you have not paid your ground rent or service charges and we make payment on your behalf. We will add the fee plus the unpaid ground rent and service charge to your outstanding fees and charges balance.	£100
Other fees	If we apply any other fee to cover administration costs relating to your mortgage with us, we will tell you the amount of the fee and explain the nature of the work covered by it. Where possible we will give you advanced notice that this fee is to be incurred.	Variable

Name of Charge	What this charge is for	How much is the charge?
Ending your mortgage term		
Early repayment charge (ending your mortgage)	You may be charged this if you repay your mortgage in full before the mortgage term ends.	The fee will be a percentage of the amount repaid. Please refer to your Mortgage Offer or call 0344 770 8030 to obtain the details.
Mortgage exit fee We call this a Redemption Administration fee.	<p>You may have to pay this if:</p> <ul style="list-style-type: none"> · Your mortgage term comes to an end · You transfer the loan to another lender: or · Transfer borrowing from one property to another. <p>This is payable either at the end of the mortgage term, or before the end of your mortgage term if you transfer the loan to another lender or another property (known as 'redemption')</p> <p>You may be charged a separate fee by your solicitor or licensed or qualified conveyancer for this work relating to redemption of the mortgage and discharge of the security.</p>	£135

Note:

This is Foundation' current Tariff of Mortgage Fees and Charges and is valid from 1st May 2025 until superseded.

This tariff provides details of fees that we charge in connection with the setting up of your mortgage and the administration of your mortgage account.

The terms and conditions that apply to your mortgage explain the circumstances when a fee may be payable.

All fees are subject to change and where applicable include VAT at the prevailing rate of 20%. We reserve the right to charge further administration fees.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.
YOUR BUY TO LET PROPERTY MAY BE REPOSSESSED OR A RECEIVER OF RENT APPOINTED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR BUY TO LET MORTGAGE.

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