

Affordability Policy

Metro Finance will ensure that all cases meet Homes England affordability guidance as detailed in the Capital Funding Guide. Ensuring all purchases are affordable and sustainable.

We will work to the policy that the customer must have a minimum of **10%** of their net mortgageable income remaining after all deductions and the stress tested rent.

In addition to the Homes England affordability, we would also expect the customer to have a minimum of 10% of their total net income remaining on our internal budget planner. This falls in line with Metro Finance mortgage compliance affordability. Metro Finance is unable to suggest a share that does not fall within these parameters, as we would not deem it affordable or sustainable.

This rule shall apply if the customer is using Metro, or if they have chosen their own route. As part of the sign off, Metro Finance will provide both calculations to the Housing Association.

10% leeway protects the customer against possible increased costs or unforeseen circumstances that have not been budgeted for.

It is expected that the expenditure will be realistic for the household composition. Anything which is below perceived average (ONS) spending will be verified via bank statements and an explanation provided.

All income used for the assessments must be considered sustainable. Metro Finance has a list of acceptable income. If it falls outside of these categories, and would not be considered acceptable by mainstream lenders, Metro Finance may exclude the income from the assessment.