

## **Monthly Surplus Income Policy**

### **Aim**

This policy sets out the minimum amount of money in percentage terms that an applicant should have as a surplus at the end of each month. This is to be assessed following an assessment of all elements of income and expenditure.

This is to ensure that any purchase is affordable and that the ongoing costs are sustainable for any applicant(s).

### **Scope**

This policy is to be read in conjunction with the Affordability Policy, Adverse Credit Policy, Minimum Deposit Policy, First Come First Served Policy and current Capital Funding guidelines. Applicants will also need to meet standard shared ownership eligibility criteria, additional eligibility criteria and local connection requirements.

This policy applies to all shared ownership homes including those developed with grant funding or via S106 agreements. The policy will apply to standard shared ownership properties, Older Persons Shared Ownership or those in Designated Protected Areas. The policy will also cover cash purchases, where applicants are required to complete a financial assessment.

This policy highlights the minimum amount of monthly surplus income any applicant(s) must have to be approved for the purchase by Jigsaw Homes Group. The policy also seeks to give guidance on how this surplus is determined.

### **Policy Details**

As a standard approach, Jigsaw Homes will only approve applicants who have met the minimum 10% surplus monthly income criteria. This is to be assessed by the advisor completing the applicant's financial assessment.

Confirmation that any applicant(s) have met this requirement will be documented by Metro Finance on the Stage One assessment.

Jigsaw Homes have the right to refuse an application if the purchaser cannot meet the 10% monthly surplus income criteria.

In rare circumstances, the advisor may deem a purchase affordable even if the 10% monthly surplus income criteria has not been met. In this scenario, the advisor will need to document the reasons as to why they feel the purchase should be deemed affordable on the Stage One assessment. Jigsaw Homes will then review such instances on a case-by-case basis and make a decision based on the information provided.