

Policy checklist

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PPHA offers homes for sale through shared ownership and shared ownership resales.

The purpose of the policy is to provide guidance and clarity on Monthly Surplus Income for applicants and to ensure that all prospective purchasers are aware of our policy when purchasing a home with us. If the customer has any further questions in relation to this policy, they should speak to a PPHA representative or one of PPHA's nominated sales agents.

This policy is to ensure that PPHA or its nominated agent has considered current affordability and future sustainability of purchasers for shared ownership homes and resales.

The minimum amount of surplus income is an amount of money that a customer should have at the end of each month once all housing costs and current and future financial commitments have been considered.

In line with regulative guidance, PPHA has determined that the customer should have available each month a minimum of 10% of your gross income as a surplus. i.e. the amount left after all housing costs and other commitments and expenditures are paid.

In exceptional circumstances PPHA may approve a sale where the customer has less than 10% of gross income. In that circumstance it will be documented on what basis the approval has been made.

PPHA work with specialist Shared Ownership mortgage advisors to assess each applicant prior to reservation of one of our homes. PPHA will only be informed by our suggested Advisors' calculations.

An example is provided below on the income calculation.

Item	Example / Explanatory notes
A. Gross income	<ul style="list-style-type: none"> Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by a specialist mortgage broker Any Universal Credit or benefit income Any guaranteed maintenance payments
B. Gross deductions	<ul style="list-style-type: none"> Income Tax National Insurance Pension Contribution Student Loan Other payslip deductions
C. Commitments	<ul style="list-style-type: none"> Credit commitments to include personal loans, PCP, HP, etc Credit and store cards Childcare costs Care costs
D. Housing costs	<ul style="list-style-type: none"> Stress tested rental figure Service charge
E. Net income for mortgage purpose	E is the remaining income once B, C and D have been deducted from A.
F. Mortgage payment	<p>The indicative mortgage payment as determined by the advisor.</p> <p>Where possible, the mortgage payment (F) should not exceed 30% of E.</p> <p>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 the provider's budget surplus policy.</p>
G. Essential costs	<ul style="list-style-type: none"> Council Tax Utilities Food Fuel and travel Insurances Other
H. Surplus income	This is the figure remaining once F and G have been deducted from E. This figure should be at least 10% of the original figure A (gross income).