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## **New Affordability Calculator Guidelines** **(as at 23<sup>rd</sup> January 2012)**

This guide explains how to use the affordability calculator on AFI.com.

The affordability calculator provides the potential loan that we will lend based on the information provided (subject to full credit score).

The new calculator is set out in 7 stages and makes the process easy and simple to follow.

### **1. Applicant Details:**

The screenshot shows the Abbey Affordability Calculator interface. At the top, the Abbey logo is displayed with the text "FOR INTERMEDIARIES" and "PART OF THE SANTANDER GROUP". Below the logo is a progress bar with seven steps: 1. Applicant Details (highlighted as "You are here"), 2. Income, 3. Commitments, 4. Net Income, 5. Calculated Loan Amounts, 6. Part and Part Mortgage, and 7. Summary. The main content area is titled "Abbey Affordability Calculator" and "Screen 1 of 7: Applicant Details". It contains several input fields: "Your reference number:" with the value "123456"; "Number of applicants:" with a value of "1" and minus/plus buttons; "Number of dependant children:" with a value of "0" and minus/plus buttons; "Method of repayment:" with a dropdown menu set to "Part and Part"; "Loan term:" with "15" years and "0" months; and "Deposit/Equity Amount:" with the value "15000". At the bottom, there are two red buttons: "Start Over" and "Next Step".

Please ensure that the correct details are input in order to achieve the most accurate results.

The information that needs to be entered is as follows:

- Your reference number – this is for your use
- Number of applicants – this should also include the number of financially dependant adults
- Number of financially dependant children
- Method of Repayment
- Loan Term (Years/Months)
- Deposit / Equity Amount –This will enable income multiple policy to be applied

## 2. Income:

**Abbey**  
FOR INTERMEDIARIES PART OF THE SANTANDER GROUP

You are here

1 Applicant Details 2 **Income** 3 Commitments 4 Net Income 5 Calculated Loan Amounts 6 Part and Part Mortgage 7 Summary

Abbey Affordability Calculator  
Screen 2 of 7: Income

Applicant 1 + Add Applicant

**Basic Annual Income**

Basic Annual Income 25000

**Other Primary Annual Income (Taxable)**

Shift Allowance 1000

Large Town, Area or Car Allowance + Add Income Type

**Other Primary Annual Income (Non Taxable)**

Net Dividends for Directors 2000

Child Benefit and Child Tax Credits + Add Income Type

**Secondary Annual Income (Taxable)**

Regular Bonus 3000

Regular Overtime/2nd Job + Add Income Type

**Secondary Annual Income (Non Taxable)**

Maintenance Payments 4000

DWP Benefits (Non-Taxable) + Add Income Type

Start Over Previous Step Next Step

Again, please ensure that the correct details are input in order to achieve the most accurate results. The level of information that needs to be entered is as follows:

- Basic Annual Income – by applicant
  - Other Primary Annual Income (Taxable)
  - Other Primary Annual Income (Non Taxable)
  - Secondary Annual Income (Taxable)
  - Secondary Annual Income (Non Taxable)
- } For each applicant. These are then split into income types that fall into these categories.

### 3. Commitments:

**Abbey**  
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1 Applicant Details 2 Income 3 **You are here** Commitments 4 Net Income 5 Calculated Loan Amounts 6 Part and Part Mortgage 7 Summary

Abbey Affordability Calculator  
Screen 3 of 7: Commitments

**Applicant 1**

**Monthly Income Deductions from Employer**

Childcare Vouchers	<input type="text" value="0"/>		
Pension deducted before tax and Other Non – Taxable deductions	<input type="text" value="0"/>		
Pension deducted after Tax	<input type="text" value="0"/>		
Season Ticket Loans	<input type="text" value="0"/>		
Other Deductions After Tax	<input type="text" value="0"/>		
Student Loans	Yes <input type="radio"/> No <input checked="" type="radio"/>		

**Other Commitments**

Monthly Credit Commitments (excluding Credit Cards)	<input type="text" value="0"/>		
Outstanding Credit Card Balance	<input type="text" value="0"/>		
Monthly Credit Card Payment	<input type="text" value="0"/>		
Other Regular Commitments	<input type="text" value="0"/>		

[Start Over](#) [Previous Step](#) [Next Step](#)

- Monthly Income Deductions from Employer. There are certain deductions that are taken direct from an applicant's salary, such as Pension (deducted before tax or after tax), Childcare Vouchers and Student Loan contributions. When entered here the non-taxable elements will not be taxed. The student loan contribution is calculated using the standard methodology as devised by the Student Loans Company.
  - Commitments -
    - Monthly Credit commitments (exc. Credit cards)
    - Outstanding balance of Credit Cards
    - Monthly Credit Card Payments
    - Other Regular Commitments – e.g. Maintenance, Education, Life Assurance
- These should only include those that are being retained after completion**

#### 4. Net Income:

The screenshot shows the Abbey Affordability Calculator interface. At the top, the Abbey logo and 'PART OF THE SANTANDER GROUP' are displayed. Below this is a progress bar with seven steps: 1. Applicant Details, 2. Income, 3. Commitments, 4. Net Income (highlighted with 'You are here'), 5. Calculated Loan Amounts, 6. Part and Part Mortgage, and 7. Summary. The main content area is titled 'Abbey Affordability Calculator' and 'Screen 4 of 7: Net Income'. It features a red header for 'Applicant 1' with a person icon. Below this is a table with two rows: 'Calculated Net Income' with a value of £2,066 and 'Net Income Figure' with a value of 2100. At the bottom, there are three buttons: 'Start Over', 'Previous Step', and 'Next Step'.

Net Income	
Calculated Net Income	£2,066
Net Income Figure	2100

A calculated net income will be displayed on this screen to provide guidance as to a suitable net income figure. If you believe this figure is incorrect then you can enter your view of net income in the box underneath and this will be used in the calculations.

**Please be aware that entering a higher figure than the calculated amount may result in the maximum loan amounts being overstated and using this information may lead to Introducer Internet displaying an incorrect decision.**

## 5. Calculated Loan Amounts:

**Abbey**  
FOR INTERMEDIARIES PART OF THE SANTANDER GROUP

1 Applicant Details 2 Income 3 Commitments 4 Net Income 5 **You are here** Calculated Loan Amounts 6 Part and Part Mortgage 7 Summary

### Abbey Affordability Calculator

Screen 5 of 7: Calculated Loan Amounts

These calculations are based on repayment which is C & I over 180 months.

Low scoring applicant:	<input type="text" value="£84,752"/>
Medium scoring applicant:	<input type="text" value="£107,782"/>
High scoring applicant:	<input type="text" value="£115,698"/>

These calculations are for illustrative purposes only. The actual amount of the loan available is subject to a full credit score, affordability assessment and Abbey's lending policy.

Please use the income figures below and enter onto Introducer Internet for each applicant.

#### Introducer Internet - New Agreement in principle

**Current income details**  
Applicant 1

Basic wage/salary before tax	<input type="text" value="£25,000"/>	Per year
Other Primary Income/Allowances	<input type="text" value="£0"/>	Per year
Secondary Income/overtime/commission	<input type="text" value="£0"/>	Per year
Other Secondary Income	<input type="text" value="£0"/>	Per year
Other Employment in same field as Main Employment	<input type="text" value="£0"/>	Per year
Other Employment not in same field as Main Employment	<input type="text" value="£0"/>	Per year

**Financial Commitments**

Joint commitments should only declared once. Please excuse those to be repaid on or before completion.	<input type="text" value="£0"/>	Total balance(s)	<input type="text" value="£0"/>	Monthly payment
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**Income breakdown**  
Applicant 1

Total combined net income	<input type="text" value="£1,614"/>
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**!** You have entered a net income figure for one or more applicants, the calculator will use these to work out potential loan amounts!  
As you have entered a higher net income than the calculated amount for one or more applicants these maximum loan amounts may be overstated and using this information may lead to Introducer Internet displaying an incorrect decision!

Start Over Previous Step Next Step Print Report

This output screen confirms the potential loan amount. This is output for low, medium and high scoring applicants and will be limited by our income multiple policy.

Once you have seen the loan amounts, clicking on "Next Step" will take you to another input screen:

- If the loan required is Part and Part then the next screen allows you to work out if a part and part mortgage is affordable.
- If the loan required is not Part and Part then the next screen will be the "Summary" page.

Here is also a summary of the fields that need to be entered in to Introducer Internet, so that the application reflects the calculator.

## 6. Part and Part Mortgage:

**Abbey**  
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1 Applicant Details 2 Income 3 Commitments 4 Net Income 5 Calculated Loan Amounts 6 **You are here** Part and Part Mortgage 7 Summary

Abbey Affordability Calculator  
Screen 6 of 7: Part and Part Mortgage

Calculate =

**Repayment Part**

Loan Amount: 120000

Loan term: 15 years 0 months

**Interest Part**

Loan Amount: 10000

Loan term: 15 years 0 months

**CAUTION:** Based on our assessment of affordability, the requested loan exceeds the maximum we will accept. This may result in a decline decision.

Start Over Previous Step Next Step Calculate =

This screen allows you check the affordability for a part and part mortgage.

Again, please ensure that the correct details are input to achieve the most accurate results. The information that needs to be entered for both the repayment part and interest only part is as follows:

- Loan Amount
- Term (Years/Months)

Once these have been entered, clicking on “Calculate” will bring up a message indicating if the requested loan amounts are affordable.

One of the following messages will appear:

**Based on the information provided, the requested loan will pass our affordability assessment.**

**CAUTION: Based on our assessment of affordability, the requested loan exceeds the maximum we will accept for a low scoring applicant. This may result in a decline decision.**

**CAUTION: Based on our assessment of affordability, the requested loan exceeds the maximum we will accept for a low/medium scoring applicant. This may result in a decline decision.**

**CAUTION: Based on our assessment of affordability, the requested loan exceeds the maximum we will accept. This may result in a decline decision.**


**CAUTION: There are fields with missing data. The requested loan has not been assessed for affordability. Please enter all details to ensure a full assessment is done.**

## 7. Summary:

This will contain a summary of the whole calculator and can be either saved as a PDF or printed.

An additional summary section of income and commitments is also included on this screen to give you all of the information you need to input into Introducer Internet.

Summary for Introducer Internet	
Basic Annual Income	£25,000
Other Primary Income	£3,222
Secondary Income	£7,000
Total Monthly Credit Commitments	£0
Calculated Net Income	£2,067
Entered Net Income	2100
Other Regular Commitments	£0

 You have entered a net income figure for one or more applicants, the calculator will use these to work out potential loan amounts!  
As you have entered a higher net income than the calculated amount for one or more applicants these maximum loan amounts may be overstated and using this information may lead to Introducer Internet displaying an incorrect decision!  
CAUTION: Based on our assessment of affordability, the requested loan exceeds the maximum we will accept. This may result in a decline decision.

[Start Over](#) [Previous Step](#) [Save as PDF](#) [Print Page](#)

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