

Policy on Income

For support, please call 03333 701 101



Proof of Income:

All income used and outlined in application forms **MUST** be evidenced, legitimate and traceable.

Bank statements MUST show salary credits and financial conduct to support income & expenditure data and affordability.

Below is a detailed list of income documentation required to be on file when submitting a Full Mortgage Application.

Note: Documents supporting a credit application must be certified copies. Pepper reserves the right to request sight of original documentation.

Employed

For employed applicants we will use the average net pay amount shown from the 3 payslips provided.

Basic Pay:

- Paid monthly – Latest 3 months' consecutive payslips
- Paid weekly – Latest 6 weeks' consecutive payslips

Bonus, Overtime and Commission:

- Weekly acceptable – Latest 6 payslips
- Monthly acceptable – Latest 3 payslips
- 50 % of Quarterly Bonus & Commission – acceptable so long as confirmed as regular (2 years payments)
- 50 % of Annual Bonus & Commission – acceptable so long as confirmed as regular (2 years payments)

Income from second jobs:

- Where an applicant has held a 2nd employment for at least 6 months immediately preceding the application date, Pepper will take into consideration the income from that source.

P60 form:

- Showing total salary for the last tax year.

Latest 3 months consecutive bank statements:

- Showing financial conduct and salary credits for each account.

BANK STATEMENTS MUST SHOW THE NAME OF ALL ACCOUNT HOLDERS

Self-Employed

Sole Trader/Partnerships:

- Minimum of 1 years accounts where the trading period is less than 2 years, otherwise 2 years accounts and 3 months current & business bank statements. SA302's are acceptable provided they are supplied with 3 months current and business account bank statements.
- Additional remuneration considered where applicant owns 100% of the company:
 - Directors car allowance
 - Directors pension contributions
 - Use of home as an office
 - Private health insurance

Where additional remuneration is to be added back, finalised accounts will be required

Company Director:

- Minimum of 1 years accounts where the trading period is less than 2 years, otherwise 2 years accounts and 3 months current & business bank statements.

Note: Accounts must be Final Accounts (drafts and projections are not acceptable) and the end of the latest financial period must not be more than 12 months prior to application.

BANK STATEMENTS MUST SHOW THE NAME OF ALL ACCOUNT HOLDERS

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Income from Other Sources

The following benefit income is considered provided it is likely to be paid for at least the next 5 years:

Child Benefit

- Latest award notice (all pages) or latest bank statement showing credit of Child Benefit.
- Ages of children must be specified on application form.

Working and/or Child Tax Credits

- Most recent "Full" or "Amended" award notice for the current tax year (all pages). Only accepted if all named on the mortgage are the same as all named on the award notice. Income used is the lowest figure for each kind of tax credit.

Benefits Specifically for the Disabled

- The following benefits paid because of a disability are an acceptable source of income provided the applicant can provide their current award letter:
 1. Disablement living allowance on behalf of a child under 16
 2. War Disablement Pension
 3. Armed Forces Compensation Scheme

State Retirement Pension

- Latest annual statement of pension / due on retirement.

Pension Credit

- Latest Pension Credit Award Notice.

Private Pension

- Latest annual statement of pension/due on retirement; or
- Latest payslip from pension provider or
- Latest letter from pension provider confirming pension due on retirement.

Maintenance

- A copy of the maintenance agreement, received under a Court Order, a CSA assessment or a written private agreement drawn up between the separating parties and **6 months'** bank statements as evidence of payment.

Rental Income

- This is to be evidenced by finalised accounts or SA302's, so long as this is not the sole income of the borrower.

Note: Applications where income is made up primarily of benefits and maintenance are unacceptable.