

Details of our allowable employment income



West Brom
Building Society

This document provides guidance for mortgage intermediaries on the allowable income which the West Brom will consider. This is a sub-section of our Lending & Security guidelines.

Employed income	
Basic	<ul style="list-style-type: none"> Permitted where 12 months employment history and at least 3 months with current employer evidenced (Professional occupations are permitted if less than 12 months' continuous employment or less than three months with current employer). 100% of gross basic salary.
Overtime, bonus and commission	<ul style="list-style-type: none"> Permitted with the general expectation is that overtime, bonus, and commission must have been received for a minimum of 12 months. 100% of regular monthly overtime, bonus and commission. 50% of overtime, bonus and commission paid less than monthly. Subject to additional income not exceeding 100% of gross basic salary. Evidenced by P60 and latest 3 months payslips.
Shift allowance and call out expenses	<ul style="list-style-type: none"> Permitted. 100% permanent contractual shift allowance. Subject to additional income not exceeding 100% of gross basic salary. Evidenced by latest P60 and latest 3 months payslips.
Car allowance	<ul style="list-style-type: none"> Permitted. 100% may be considered where evidenced and contractual. Subject to additional income not exceeding 100% of gross basic salary. Evidenced by latest P60 and latest 3 months payslips.
Large town allowance	<ul style="list-style-type: none"> Permitted. 100% may be considered where evidenced and contractual. Subject to additional income not exceeding 100% of gross basic salary. Evidenced by latest P60 and latest 3 months payslips.
Travel or petrol expenses	<ul style="list-style-type: none"> Not permitted.
Employed - Zero hours / Temporary / Agency Contract	<ul style="list-style-type: none"> Permitted subject to evidence of 12 months' employment on this basis. Income to be based on an average of the last 12 months' earnings. Applications from 'professional' occupations (e.g. doctor, teacher etc.) for the first time will be considered. This will include a qualified tradesperson where there is clear future earning potential. Evidenced by latest P60 and latest 3 months payslips.
Employed - Bank Nursing / Locum Doctors / Supply Teachers	<ul style="list-style-type: none"> Permitted where 12 months history on this basis is evidenced. Income to be as assessed on an average of the last 12 months payslips. Evidenced by last 3 months payslip and latest P60.
Employed – Piece work	<ul style="list-style-type: none"> Permitted where 12 months employed history on a similar basis is evidenced. Income to be based on an average of the last 12 months. Evidenced by P60 and latest 3 months payslips.
Employed – Commission only	<ul style="list-style-type: none"> Not permitted.
Employed – fixed term contract	<ul style="list-style-type: none"> Permitted subject to 12 months' continuous fixed term contract employment within the same skill set or a new fixed term contract replacing an employed position held in the same skill set. A minimum of 6 months remaining on the current contract. Evidenced by latest payslip and contract.
Employed – Seasonal contract	<ul style="list-style-type: none"> Not permitted.
Employed – Umbrella Company	<ul style="list-style-type: none"> Permitted, where employer deducts Tax and National Insurance, subject to a minimum 12 months' continuous employment within the same skill set. Evidenced by last 3 months payslips, latest P60 & contract may be used for the assessment of income. Details of previous history may be requested dependent on the length of the current contract.

Details of our allowable other sources of income



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Self-employed income

Self-employed - CIS	<ul style="list-style-type: none"> Permitted subject to 2 year track record of sub-contracting under CIS. Income used will be the lower of the latest finalised years or an average of the last 2 years' turnover/income. Evidenced by last 2 years SA302s, matching tax year overviews and latest 3 months bank statements.
Self-employed – Umbrella Company	<ul style="list-style-type: none"> Permitted where applicant pays their own tax subject to: 2 year track record of accounting/income information from within the same skill set. Income used will be the lower of either the latest finalised accounting/income or an average of the last 2 years. If the applicant's employer pays their Tax and National Insurance, please refer to 'Employed - Umbrella Company'.
Self-employed – Sole Trader or Partner in a Partnership	<ul style="list-style-type: none"> Permitted subject to minimum of 2 years history. Income used will be the lower of the latest finalised years or an average of the last 2 years' net profit. Evidenced by latest 2 years SA302s', matching tax year overviews and last 3 months business bank statements (for sole traders we can accept personal statements where self-employed income is serviced).
Self-employed – Limited Company Director (25% shareholding or above)	<ul style="list-style-type: none"> Permitted subject to full limited company accounts/financials (reflecting last two years figures). Income used will be the lower of the latest finalised years or an average of the last 2 years' salary and dividends. Evidenced by latest two years SA302s', matching tax year overviews, latest three months business bank statements and last 2 years' finalised company accounts.
Limited Company Director (where less than 25% shareholding)	<ul style="list-style-type: none"> Permitted subject to full limited company accounts/financials (reflecting last 2 years figures). Income used will be the lower of the latest finalised years or an average of the last 2 years' salary plus 50% of dividends received (this will also be the lower of the latest year or an average of the last 2 years dividends received). Evidenced by last 2 years SA302s, matching Tax Year overviews, latest 2 years finalised accounts and last 3 months business bank statements.
Self-employed- Limited Liability Partnership (LLP):	<ul style="list-style-type: none"> Permitted subject to the business proven to have been trading for a minimum of 2 years and where 2 years finalised accounting information is available. Income used will be the lower of the latest finalised years or an average of the last 2 years' share of net profit. May permit less than 2 years, where an applicant has recently joined an LLP providing the business has been trading for at least 2 years.

Other allowable income

Bursary/Stipend	<ul style="list-style-type: none"> Permitted where supported and evidenced with the bursary/stipend award letter and the latest bank statement showing receipt of payment.
Maintenance	<ul style="list-style-type: none"> Permitted where evidenced and considered sustainable. Child maintenance can be considered where the child is 11 years of age or under. Maximum LTV 80% where only income source on application. Evidenced by last 6 months bank statements.
Foster carers allowance	<ul style="list-style-type: none"> Permitted with 2 years minimum history. Income assessed as lower of the average of the last 2 years or the current year. Evidenced with a letter from the Foster Agency confirming: The total income paid for each of the last 2 years; and That income is likely to continue at the same level for the foreseeable future.

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Other allowable income (continued)

Guardians allowance	<ul style="list-style-type: none"> Permitted where received regularly and is secondary income for children under the age of 18 who are financially dependant on the applicant and treated. Up to 50% to be used for affordability. Latest 3 months bank statement showing the amount paid by the local authority and confirmation that the allowance is ongoing and how long it will continue.
Adoption allowance	<ul style="list-style-type: none"> Permitted where received regularly and is secondary income for children under the age of 18 who are financially dependant on the applicant and treated. Up to 50% to be used for affordability. Evidenced by latest 3 months bank statement showing the amount paid by the local authority and confirmation that the allowance is ongoing and how long it will continue.
Universal credit	<ul style="list-style-type: none"> Standard allowance - permitted at 100% where evidenced from the award letter that the applicant has a primary source of income (employed/self-employed – this will show in the take-home pay section of the award letter). Child element - this should be deducted from the monthly payment and not included for mortgage affordability purposes. Housing element - should be deducted from the monthly payment and not included for mortgage affordability purposes. Evidenced by the latest 3 months universal credit statements which must include a full breakdown of income received and the name of the statement must match the application.
Family allowance	<ul style="list-style-type: none"> Not permitted.
Child benefit	<ul style="list-style-type: none"> Not permitted.
Attendance allowance	<ul style="list-style-type: none"> Not permitted.
Carers allowance	<ul style="list-style-type: none"> Not permitted.
Disability living allowance	<ul style="list-style-type: none"> Not permitted.
Incapacity living allowance	<ul style="list-style-type: none"> Not permitted.
Income support	<ul style="list-style-type: none"> Not permitted.
Earned pension	<ul style="list-style-type: none"> Permitted. Up to 100% of earned pension. Evidenced by latest pension statement and latest months bank statement showing credit.
State pension	<ul style="list-style-type: none"> Permitted. Up to 100% of earned pension. Evidenced by latest pension statement and latest months bank statement showing entry.
Property rental income	<ul style="list-style-type: none"> Permitted. 50% of the rental income from an unencumbered Buy to Let or Let to Buy property may be considered within the affordability assessment. Professional landlords (defined by 4 or more properties) may declare a secondary income, derived from business accounts or SA302, received from rental income which will be subject to standard self-employed criteria.
Lodger rental income	<ul style="list-style-type: none"> Not permitted.
Investment income	<ul style="list-style-type: none"> Not permitted.



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Calls and electronic communications may be monitored and/or recorded for your security and may be used for training purposes. Your confidentiality will be maintained.

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