



## Your Mortgage Budget Planner

Whether you are a first time buyer, moving home or remortgaging your existing property, we require all mortgage applicants to complete a detailed income and expenditure planner to ensure the mortgage you require is affordable.

## Notes for completion

Failure to provide all of the information required may delay your application.

For House Purchase applications please complete the budget planner to reflect your **expected NEW monthly costs** (e.g. new utility and council tax costs)

It's really important to ensure your planner is realistic. The information you provide will be referenced against your monthly bank statements for accuracy.

## Applicant Details

Applicant Name(s)

Address

Postcode

Number of Applicants

Number of Financial Dependents

Applicant(s) Selected Retirement Age

Applicant 1

Applicant 2

## Household Income

	Applicant 1	Applicant 2
Gross Annual Income	£	£
Net Monthly Income (take home pay after all deductions)	£	£
Monthly Child Benefit (available where the child is aged 13 or under at point of application)	£	
Monthly Maintenance (available where the child is aged 13 or under at point of application)	£	

## Financial Commitments

Credit Card & Store Card(s) (calculate at 3% of outstanding balance)	£
Unsecured Loans / Hire Purchase i.e. car finance	£
Child Support Agency (CSA) / Child Maintenance	£
Childcare / school / education fees	£
Shared Ownership Rent	£
Ground rent & service charges	£
Help to Buy Interest Payment	£
If your mortgage is interest only cost of savings plan/s	£

Property & Utilities

Gas / Electric / Oil	£
Water / Sewerage	£
Council Tax	£
Home telephone & Internet	£
Household Repairs	£
Mobiles	£
TV license	£
Satellite / cable	£

Travel

Petrol & Parking	£
Public transport	£
Car Insurance	£
Car MOT & servicing	£
Road Tax	£

Personal Expenditure

Clothing	£
Household Shopping, food & toiletries	£
Alcohol & Cigarettes	£
Holidays	£
Leisure / Socialising activities	£
Children's clubs & activities	£

Insurance

Life & income protection	£
Building & Contents Insurance	£
Other e.g. Pet, Travel insurance	£

Total Household Expenditure

£

Notes:

### **Important Considerations for Leasehold Properties**

With a leasehold property, the freeholder owns the land on which your home is built. When you buy your home, you lease the land from the freeholder. Leasehold is the way most flats are owned. Houses can also be leasehold, for example some new builds and those bought through a shared-ownership scheme.

Leasehold is like having a very long tenancy. You have a legal agreement with the freeholder called a lease, which allows you to own your property for a fixed number of years.

#### **Term of the lease**

When it is first created, a lease usually lasts between 99 and 125 years, but it can be for as long as 999 years. Each year the number of years left on the lease reduces.

For new build properties, Teachers Building Society requires that the lease should be a minimum of 125 years. For properties which have been owned previously, the minimum term outstanding on the lease when the mortgage starts should be 80 years.

#### **Ground rent**

Ground rent is a fee you must pay to the freeholder as a condition of your lease. Teachers Building Society requires that the ground rent should not exceed 0.25% of the market value of the property.

As an example, if the market value of the property is £150,000, the initial ground rent cannot exceed £375 per year. (E.g.  $£150,000 \times 0.25\% = £375$ ).

If the lease contains a clause confirming that the ground rent can be reviewed, Teachers Building Society requires that the reviews cannot be more frequently than once every 10 years.

Any increases should be limited to the rate of inflation as measured by the Retail Price Index (RPI) or equivalent.

If event fees are charged for changing the terms of the lease, for example to extend or alter the property, Teachers Building Society requires that the fees must be based on the reasonable cost of the administration of such changes.

#### **Further advice**

If you require further advice about the terms of the lease, please speak to your solicitor. You can also get free advice from the Leasehold Advisory Service (LAS) at [www.lease-advice.org](http://www.lease-advice.org)



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