

# Acceptable income guide for Residential applications



To discuss your case call today **0344 770 8032**  
[www.Residentialbyfoundation.co.uk](http://www.Residentialbyfoundation.co.uk)



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Our registration number is 301128, Buy to Let mortgages are not regulated by the Financial Conduct Authority.  
All applications are subject to our lending criteria. Calls may be monitored and recorded.

Income Type	% considered	Proof required	Key as...
Basic salary	100%	Latest payslip	Basic salary
Income from 2nd employment	100%	Latest payslip	Basic salary
Mortgage subsidy	100%	Latest payslip	Basic salary
Maternity/paternity pay	100%	Employer's reference	Basic salary
Travel allowance	100%	Latest payslip	Basic salary
Parental leave	100%	Lastest 3 months payslips	Basic salary
Bonus/commission paid weekly, fortnightly or monthly averaged over the last 6 months Bonus/commission paid quarterly averaged over the last 12 months	100%	Payslips &/or P60	Regular bonus and commission
Bonus/commission paid half yearly/annually averaged over last 2 years	100%	Payslips &/or P60	Regular bonus and commission
Bonus/commission paid half yearly/annually in the last 12 months	50%	Payslips &/or P60	Non-regular bonus and commission
Overtime	50%	Lastest 3 months payslips	Overtime
Non-regular bonus	50%	Lastest 3 months payslips	Non-regular bonus and commission

## Please note the following in relation to **Self-employed** applicants

- Where a company director owns 20% or more of the company shares, they will be classed as self-employed
- If you declare income from self-employment, you will be asked to enter the number of years' accounts available
  - We prefer a minimum of 2 years' accounts at application but we will consider less than this. Where there is 1 year's trading or increasing/stable income, enter latest year's income only and add a note to the portal explaining why you are using latest/1 year's accounts
  - Share of net profit can be considered and would be averaged over the last 2 years and should be included in the figures for the relevant year – Certified accounts will be required as evidence or an accountants certificate
- Where the applicant has been self-employed for less than two years, but is working as part of a business that has been established for longer, e.g. has taken over an established business or worked for a family business as an employee and now owns a share of the business, this may be considered on a case by case basis
- Contractors must have at least 3 months remaining on their current contract, or proof of renewal, at time of offer.

Income Type	%	Proof required	Key as...
Sole trader/director either as Primary or secondary income	100%	SA302 & associated tax year overview or accountants certificate or accounts	Self employed
Self-employed	100%	A letter from the senior partner, accountant or practice manager	Self employed
Contractors - day rate x 5 x 46	100%	<b>Umbrella Company</b> Last 3 months' payslips & contract  <b>Fixed Term</b> 3 months' bank statements & contract  <b>Limited Company</b> SA302 & TYO & contract	Contractor
CIS contractors – last 3 payslips annualised/52 X 46	100%	SA302 or last 3 payslips	Employed/ self-employed/ contractor
Directors pension contributions Directors car allowance Directors health insurance contributions	50%	Certified accounts or accountants certificate confirming the specific values over a 2 year period	Other income

Please note the following in relation to income from Profit from UK Land and Property

- Please key the profit from land and property figure LESS the finance costs; failure to do so could result in reduced affordability result once any application is assessed.
- Land and property income will be excluded from affordability where finance costs exceed the profit from UK land and property figure on the SA302.
- Underwriters may require further information to ensure the portfolio remains self-financing and no future costs need to be accounted for within affordability.
- Where finance costs are not present on the SA302, yet mortgages are disclosed or evidenced, this income maybe excluded from affordability. Underwriters may request further information in order to determine levels of income/expenditure.

Income Type	%	Proof required	Key as...
Income payment protection	100%	Latest bank statement or award letter	Investment income (Fixed income products)
Profit from UK land and property LESS the finance cost	100%	Latest SA302 & Tax year overview	The profit from UK land and property figure LESS the finance costs
Maintenance – court order (for children up to, and including, 14 years old)	100%	Court order	Maintenance court order
Maintenance – CSA/CMS (for children up to, and including, 14 years old)	50%	CSA/CMS Letter or 12 months' bank statements	Maintenance non-court order
Non formal Maintenance Arrangement (for children up to, and including, 14 years old)	50%	Maintenance with no formal arrangement considered (50% income taken) subject to a full 12 months history being available	Maintenance non-court order
Adoption allowance	50%	Award letter	Other
Carers allowance	50%	Award letter	Other
Universal credit (for children up to, and including, 14 years old)	50%	Award letter	Other
Pension income - private	100%	Pension statement or bank statement or P60	Pension
Pension income - state	100%	Bank statement or pension statement	Other
Investment income	100%	Bank statement/ Award letter	Investment
Dividend income from a portfolio of shares	50%	Accountants certificate	Other
Foster income	50%	Foster Agency Paperwork	Other

Please try the affordability calculator [here](#) to see how much we may be able to lend to your client.

For any other income types, allowances etc please refer to your Regional Account Manager or contact our Broker Support Team on **0344 770 8032** who will be able to advise on acceptability, levels considered and where to key the income in our portal.