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by Home Group

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## Monthly Minimum Surplus Policy

### Introduction

The purpose of this policy is to align with currently regulatory guidance provided by Homes England & The Capital Funding Guide. This policy applies to the reservation of our new build homes to prospective purchasers, under the following affordable home ownership schemes: Shared Ownership, Older Persons Shared Ownership and Discount for Sale. We will ensure all prospective buyers are aware of our policy approach when offering them an affordable home. We will ensure all prospective customers are aware of the process prior to expending any cost to themselves. If you believe we are in breach of this policy, please contact the regional New Build Sales Manager or consult our [Complaints policy](#).

### Policy

Persona Homes by Home Group work with independent mortgage brokers who specialise in affordable home ownership to qualify and financially assess each applicant prior to them reserving an affordable home with us.

In addition, we follow the Homes England guidelines to ensure any potential purchaser has a safety net of surplus income and is not over-reaching in their purchase and putting themselves in financial risk.

**Our required monthly minimum surplus income is 10%.** This is the minimum amount of gross income that a potential purchaser should have available per month after accounting for all of their housing costs, other commitments and expenditure as established by their budget planner put together with their Financial Advisor.

The [Capital Funding Guide](#) sets out more detail on the methodology for arriving at an applicant's monthly surplus income. A summary can be found below:

Item	Example/Explanatory Notes
A. Gross Income	<ul style="list-style-type: none"> <li>• Gross monthly pay to include the relevant amount of any overtime, commission or bonus as determined by a specialist mortgage broker.</li> <li>• Any Universal Credit or benefit income</li> <li>• Any guaranteed maintenance payments</li> </ul>
B. Gross Deductions	<ul style="list-style-type: none"> <li>• Income Tax</li> <li>• National Insurance</li> <li>• Pension Contribution</li> <li>• Student Loan</li> <li>• Other payslip deductions</li> </ul>
C. Commitments	<ul style="list-style-type: none"> <li>• Credit commitments to include personal loans, PCP, HP, etc</li> <li>• Credit and store cards</li> <li>• Childcare costs</li> <li>• Care costs</li> </ul>
D. Housing Costs	<ul style="list-style-type: none"> <li>• Stress tested rental figure</li> <li>• Service charge</li> </ul>
E. Net Income for Mortgage Purposes	E is the remaining income once B,C and D have been deducted from A
F. Mortgage Payment	<p>The indicative Mortgage Payment as determined by the advisor.</p> <p>Where possible, the Mortgage Payment (F) should not exceed 30% of E</p> <p>NB: This may be exceeded in cases where the advisor feels that there is a justification for doing so and where the customer is still subsequently able to satisfy the provider's budget surplus policy.</p>
G. Essential Costs	<ul style="list-style-type: none"> <li>• Council Tax</li> <li>• Utilities</li> <li>• Food</li> <li>• Fuel and Travel</li> <li>• Insurances</li> <li>• Other</li> </ul>
H. Surplus Income	This is the figure remaining once F and G have been deducted from E. This figure should be at least 10% of the original figure A (gross income).

A potential purchaser's Financial Advisor will carry out the above calculation as part of their budget planner. In turn they will confirm the surplus income figure to Persona Homes by Home Group as part of their Financial Assessment via the [Mortgage buyer sign off form](#) or [Cash buyer sign off form](#) depending on purchase method. Persona Homes by Home Group will then feedback to the potential purchaser on whether the reservation can proceed in line with the minimum surplus policy.

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**Data Protection:**

In order to help us deliver efficient services and to manage your relationship with us, we need to collect relevant personal details from you. We comply with the General Data Protection Regulation and Data Protection Act 2018 when dealing with personal data. This means that your personal data will be processed in accordance with the law. Please note in some circumstances we may share your personal data with external third parties. For more information on how we process your personal data, including on data security, data retention and lawful processing bases, please access our full privacy notice at: [www.yourpersonahome.com/legal/privacy-policy](http://www.yourpersonahome.com/legal/privacy-policy)