

# Mortgages and non-standard incomes

By Mark Mackin, Mortgage Adviser

**I have spoken to a lot of people over the years who have put off even thinking of buying a property, or moving home, because they don't have a standard Permanent Employed Contract. So, to all of you who think you are in that bracket, you won't know for sure if you don't ask for help. I appreciate even asking the question can be daunting, but there is help available from mortgage advisers who can guide you through what is possible, and perhaps even if it's not possible now, what needs to happen to put you in a better position in future.**

There are many different lenders in the UK, from the high street names you will be familiar with, to the smaller building societies and newer challenger banks now starting to make their mark. They all want a slice of the pie! And to get their slice, some banks need to be more innovative with their criteria when they can't compete with the high street on price or brand awareness.

Lenders are always going to look for consistent and verifiable income. But that can come in many guises. It could be that you are employed on a short-term contract or on a zero hours contract. In these circumstances, lenders may just need a longer track record than for a permanent contract to be able to use the income – remember the phrase consistent and verifiable.

Even with permanent contracts, many people rely on overtime, commission, bonuses or shift work as part of the overall



package. Again, these can all be considered within the criteria of the individual lender. You may be on maternity/paternity leave, or about to move jobs. It doesn't mean you have to wait until after you go back to work or have moved jobs before you can look at a new mortgage. You may have retired and live off a pension. It is still income that can be used to support a mortgage application, and if you have benefits making up some or all of your income, this too can often be considered.

Self-employed people are another category who often think they can't get a mortgage, but most lenders are happy to lend against this income. Again, it just comes down to finding a lender

whose criteria best suits your income. Lenders will usually look for a two or three-year track record in the same line of work, but there are those who will consider an application after just one year of trading, depending on whether it is in the same line as previous employment. If you have a profitable business, but don't take everything out of that business that you could take, or reinvest some of the profits back into the business, then some lenders will take the profits of the business as opposed to actual income drawn to decide how much they will lend.

It is all about looking at individual lender criteria and finding the ones who are sympathetic to the way you work.



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