



# Mortgage Affordability Reports

**S&P**  
SMITH & PINCHING

Fifty years  
by your side

# What is a Mortgage Affordability Report?

**When separating a couple's finances, there is often a need for at least one separating partner to take out some form of new lending to finance either the purchase of a new home or to buy an ex-partner's portion of a previously jointly-owned home.**

Managing the affordability of two homes from newly separated finances can be difficult, particularly in the early years of a mortgage where borrowing levels are still high. This can prove confusing and challenging for couples who are trying to achieve a fair outcome in

their financial settlement that will deliver a financial platform on which to build their new lives. These can be couples of any age, divorcing in their early twenties to late eighties.



Before the first court hearing, both parties should individually or jointly use their best endeavours to obtain and file a Brief Indicative Material Report. This is a shortened version of a Mortgage Affordability Report that

will provide brief information on a couple's borrowing/ mortgage finances. A full Mortgage Affordability Report may need to be obtained before the final court hearing.



A Mortgage Affordability Report provides key financial data to aid couples when negotiating their financial settlement upon divorce or separation. The in-depth report provides clarity to the couple and their legal advisers on the borrowing capacity and

type of mortgage available post-separation. Each report is different and dependent upon personal circumstances and the complexity of the separation.







# What will it cover?

The full Mortgage Affordability Report will evaluate every aspect of your finances and assess them alongside a comprehensive range of mortgage lenders' product offerings and eligibility framework. Whereas the Brief Indicative Material will provide basic information and areas for consideration going forward.

## The report will look at:

Your current and projected income, this could be earned, benefits, pension or investment.

- Your capital assets, whether individually or jointly held.
- Your current and projected expenditure.
- Your mortgage borrowing requirements.



We will analyse this data and come up with a range of scenarios to demonstrate what mortgage repayments might be affordable for you. In addition, we will provide you with an indication of the total borrowing this might

deliver over a series of examples with different life-cycles and terms.

Later life lending may also be an option for the older divorcing couple.



# Putting together your Mortgage Affordability Report

## The Process:

Our mortgage adviser will meet with you to collect all the data we need about you, your finances, your requirements and your aspirations. This may be via telephone, video call, or a face-to-face meeting.

We will be able to give you some general guidance at this stage about the current state of the mortgage lending market.

We will produce our report using up to date property and financial market data. We will usually come back to you within five to ten days with our findings following receipt of all documents requested. These reports are normally required quickly, so engagement with the adviser is time sensitive.

## The Cost:

Our fee for producing your Brief Indicative Material is **£600** + VAT - jointly instructed **£300** + VAT for each party.

Our fee for producing your Mortgage Affordability Report is **£600** + VAT per person. This will be payable up front at the point all supporting documentation is supplied.





# Why choose Smith & Pinching?

**Smith & Pinching are one of the largest firms of Chartered Financial Planners in the East of England. We were the first in the area to be awarded the Chartered Insurance Institute's (CII's) coveted chartered designation, the industry's gold standard.**

Professional excellence is a key component of the S&P Service, coupled with a friendly, caring approach and 'can do' attitude. We believe in putting the client first when building long-term, trusted relationships and with a hands-

on approach ensuring that their financial well-being is nurtured and protected. We've been around since 1973 and are proud of our reputation for delivering impeccable service to our clients.



# Our Mortgage Advice Team

**Our team of mortgage specialists have a wealth of expertise and experience in finding the right mortgage solutions for a range of clients. We will talk through all the options that are suitable for your circumstances and make sure you understand them before making a recommendation.**

In addition to this specific type of report we also have a specialist Pension on Divorce Experts (PODE) team. Both these areas of expertise coincide to provide detailed information to the client and the clients Law Firm and Divorce Practitioners.



## Pensions on Divorce Experts (PODE)

S&P's PODE team helps Law Firms and Divorce Practitioners achieve a fair and consistent financial agreement for couples looking to separate where the assets include pensions. Our service takes into account the value of a pension, the type of pensions involved and the taxation status of each partner. We provide support services to lawyers which includes:

- An initial evaluation and letter.
- A full report which examines all pensions, cashflow modelling, options etc.
- A mortgage affordability report for use in court. This establishes the client's mortgage raising capability and borrowing methods.







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