

Revised Minimum Net Disposable Income Thresholds for borrowers earning ≤€60k

Given the reduced flexibility that borrowers from lower income cohorts have to adjust discretionary spending and to maintain mortgage affordability in the face of an inflationary spike, The Mortgage Store is raising the Base level NDIs by a factor of c5%. This is reflective of the uncertainty in respect of the general cost of living in the near term.

Purpose:

From Friday 1st July 2022, the minimum NDI thresholds for borrowers earning ≤€60k have been revised upwards.

Customer Impact:

- Our new Broker Assessment calculator will be available from Friday morning, to reflect the revised NDI - there is no requirement to retrospectively apply NDI to cases already approved.
- Our credit underwriters will be using the new calculators from Friday to assess applications.
- For Applications released to Credit from Friday for a period of 2 weeks, where borrowers are earning <60K and fail the new criteria, they will be reviewed on a case by case basis. Please discuss with your Relationship Manager should you have any concerns.
- Pipeline – Under Negotiations, House Hunter (HH) AIP's and full change in proposals (CIPs) will be assessed under the new NDI Thresholds from Friday morning. Any minor changes on Property Specific AIP's will continue to be supported based on original approval. (max 6 months post approval).
- Please be aware of marginal pipeline cases where a proposed move from a 5/7/10 year fixed rate to 1/2/3 year, NDI will be impacted. You should complete a new assessment calculator and provide mitigants to support any NDI exceptions proposed; It is important that these applications continue to be reviewed for changes in a customer's income or financial circumstances.
- New Builds: Where completion has been delayed and LOF is out of date – when submitting LOF extension request or requesting new LOF you should reference old & new policy. There may be cases which fail on new policy, Credit will continue to support these applications for a further period of 6 months provided there are no other material changes.