

A typical scenario, and what we could deliver.

Using guaranteed bonuses and commission as a top up...

WHO'S THE CUSTOMER?

A customer works for one of the world's leading online retailers, a worldwide business and which millions of customers use frequently. He had just started a job as a Senior Project Manager on a basic salary of £135,000 a year. He receives bonuses and is looking to purchase a new property.

WHAT'S THEIR SITUATION?

As part of his contract, his employer has provided a guaranteed bonus of £85,000 in his first year and £65,000 in his second. Alongside this he also receives £270,000 in stock allowances (that were available to be drawn) which are paid as 5% in year 1, 15% in year 2 and then 40% in years 3 and 4 of employment.

His total package means that in year 1 he is contractually guaranteed £233,500, in year 2 it will increase to £240,500 and for years 3 and 4 it will rise to £243,000. These figures are guaranteed and written into his contract, and the only reason for any slight change in the figures will be because the stock allowance will depend on the stock / share values at the time. Based on the stability, scale and success of the brand, there is a strong possibility this will increase.

The customer has had an offer accepted of £945,000 for a new property in the South West, and has around £200,000-£250,000 he can use for a deposit. This is possible from part-funding through the sale of his previous main residence.

WHAT PROBLEMS EXIST?

The customer needs a lender who can fund the difference, or at least the highest level mortgage available, and if needed, he can top up the difference from some investments he has made.

However, many lenders cannot accommodate a contract such as this. Even though the customer shows an income of circa £240,000 per annum, lenders will only use the £135,000 basic salary which doesn't come close to the amounts he is actually contractually guaranteed.

HERE'S HOW WE COULD HELP...

A lender is needed who can acknowledge the fact these allowances are guaranteed and written in to his contract, so it makes sense to use them.

So based on annual appraisals and stock movements, they agree further bonuses and stock allowances from the 4th year onwards to ensure their Senior team members are content and earning the levels they are accustomed to.

We would accept the guarantee of his annual bonuses and commission and the certainty from his employer of their long-term commitment to him. We would be comfortable that this would make up the levels needed to fund the difference. This would ensure the purchase of the property can go through and deliver what the customer needs.

Contact our Business Development Managers, we're here to help.

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