

Cash Purchasers Policy

July 2024



Our Policy Statement – Cash Purchasers Policy

- 2.1 In addition to an applicant's ability to purchase and sustain the mortgage, rent and service charge payments for a Shared Ownership property, Torus will also consider if the applicant has a legitimate barrier to mortgage.
- 2.2 This policy outlines how Torus will assess applicants who are unable to secure a standard mortgage from a mainstream lender due to age or extenuating circumstances. Torus aims to provide transparency and clarity to applicants who have undergone a full affordability assessment with a mortgage broker from Torus' panel and are unable to secure a mortgage.
- 2.3 Torus will seek advice from the relevant panel mortgage broker, and applications to purchase using cash funds will be considered on a case by case basis. It is unlikely that an applicant will be accepted if deemed by the mortgage broker to be high risk of defaulting on the rent and service charge payments.
- 2.4 If an applicant is unable to source a mortgage as a result of adverse credit but has sufficient funds to purchase a share with cash, the Adverse Credit Policy will apply to the applicant and their partner/spouse.
- 2.5 Following a full affordability assessment, applicants who do not have adverse credit and wish to secure a Shared Ownership property with cash funds will be considered based on their individual circumstances and future financial needs identified during the affordability assessment.
- 2.6 For cash sales progressing with a first tranche share below 25%, a minimum of 20% of the applicant's net mortgageable household income must be remaining.
- 2.7 Torus has the right to refuse a cash purchaser if the applicant does not meet the minimum surplus income, regardless of whether the applicant has the cash funds available to purchase a share of a property.
- 2.8 Cash sales require a credit check within the Adverse Credit Policy.