Rent to Buy Statement Adverse Credit

July 2026

torus homes

Overview

Rent to Buy is an intermediate housing tenure that allows eligible working households to rent a designated Rent to Buy home at 80% of market rent with a view to enabling entry into sustainable home ownership. The sub-market cost is intended to give the tenant the opportunity to save a deposit to purchase a home in the future.

Torus will provide a Rent to Buy offer that meets funding conditions, provides a customer orientated and flexible housing option that also supports a dynamic approach to asset management.

This product is aimed at aspiring homeowners who intend to purchase a property in the future.

This statement has been produced to enable Torus to ensure that applicants applying for Rent to Buy not only qualify through an initial affordability assessment but also are in a financial situation which will enable them to sustain their tenancy and maintain a consistent approach to saving. This approach protects both Torus and the Rent to Buy customers going forward.

Process / Statement

An applicant must successfully pass a two-tier affordability assessment based on 80% of the market rent (including any additional parking charges where applicable). The initial assessment will be carried out by Torus and successful applicants will be referred to Torus' nominated referencing agency to carry out the second stage of the affordability assessment. The second stage affordability assessment will include an in-depth budget and savings planner to determine the applicant's suitability for the Rent to Buy product.

As part of this process the applicants credit history will be considered before a final decision to offer a tenancy has been agreed.

<u>N.B.</u> A referencing outcome is not a formal approval. Torus reserves the right to make the final decision on an applicants' ability to proceed.

This statement outlines how Torus will assess applicants who have adverse credit and aims to provide transparency and clarity for applicants in Torus' decision-making process. Torus will seek advice from the relevant referencing agency on a case by case basis.

There is no appeals process to a final decision made by Torus.

Applicants are unlikely to be accepted under the following circumstances:

- Mortgage or rent arrears – missed payments within the last 12 months;

- County Court Judgement's (CCJ'S) or Default – a judgement(s) made in the last 24 months. Any judgement registered prior to this must be satisfied.

Applicants may be accepted in the following circumstances:

1. Any adverse credit must be declared on the application form. Torus reserve the right to request additional information to support an applicant's financial circumstances before a final decision will be made.

2. All delinquencies, defaults and CCJs must show as settled/satisfied on an applicant's credit file before the application can be considered.

3. Live IVAs/Debt Management Plans – applicants with an on-going agreement must demonstrate through a statement/credit file that all agreed payments have been maintained and are up to date with at least 50% of the debt being satisfied at the point of application.

4. Bankruptcy – may be considered with evidence of discharge.

Torus offer a First Come First Serve allocation process on all Rent to Buy schemes. If an applicant has adverse credit a plot **will not** be held while they source the necessary information required to support their application.

On receipt of Torus' approval, the applicant will be given the opportunity to formally reserve an available plot on their preferred scheme.