

# Target Market Determination

## Goldrate Home Loan – Owner Occupied Interest Only

### 1. About this document

This target market determination (TMD) is a publicly available document required under section 994B of the Corporations Act 2001 (Cth). It seeks to offer consumers, distributors and staff with an understanding of the class of consumers and therefore the target market for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Members must still refer to our Financial Service Guide (FSG) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

**Please see the Terms & Conditions or Financial Services Guide (FSG) to which this target market determination applies**

**Date from which this target market determination is effective**

5 October 2021

### 2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for this product, based on the product key attributes and the objectives, financial situation and needs of our members that it has been designed to meet.

This product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). This product is for our members who:

- This product is suitable for individuals aiming to refinance, purchase and or construct residential property used or intended to be used or intended to be used for owner occupier; and who require a mortgage loan to fulfil the desired outcome.

#### Product description and key attributes

The key eligibility requirements are:

- An existing or becoming a member of the Bank
- Be a permanent resident of Australia and 18 years of age or over
- A minimum 5% deposit
- Demonstrated ability to make repayments

The key product attributes of this product are:

- Minimum loan amount is \$50,000
- No monthly account keeping fee
- No annual fee
- Redraw facility available
- Option to split home loan into variable and fixed option
- Repayment frequency options Monthly
- LVR up to 95% available with Lender's Mortgage Insurance applicable for LVR's over 80%
- Available for construction purposes

**Public**

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Variable rate - key attributes:

- Unlimited additional repayments
- Interest Only repayments available (Maximum 5 years with an additional 5 years available).
- Can switch to Principal and Interest repayment option at any time for Variable loans

Fixed rate - key attributes

- 1-, 2-, 3- and 5-Year Fixed term for Interest Only Repayments
- Up to \$5,000 additional repayments per fixed term
- Can switch to Principal and Interest repayment option for Fixed Loans at the end of the term

Fixed and Variable key attributes

- Customers can get the best of both worlds and get the flexibility of having both a variable or fixed loan, by splitting their loan amount

**Objectives, financial situation, and needs**

This product has been designed for individuals who:

- Owner Occupiers looking to make Interest Only repayments to increase cash flow for a period of time. Interest only is also suitable for those entering a construction period, or a first home buyer adjusting to home ownership
- Have a minimum of 5% deposit to contribute towards their purchase, accepting Lenders Mortgage Insurance will be applicable & capitalized onto the base loan amount.
- Have a deposit of 20% or greater than the purchase price/ or equity in established property when refinancing. Lenders Mortgage Insurance not applicable.
- Customers aiming to better their financial position when refinancing from other financial institution
- Achieve financial goals relating to the purchase of their owner-occupied residential property, and or restructuring their current mortgage to meet their individual needs.
- Starting a family, reducing work hours, completing study etc anything that may require additional cash flow for a certain period of time
- Looking to achieve the optimal structure of their loan by capitalising on the benefit of the products flexibility and interest only repayments to maximise the growth of their cash flow, and stability of home ownership
- Have or plan to acquire residential property for owner occupied purposes.
- Owner Occupier's planning to establish residential security for long term sustainability, and future expansion of property growth

**Fixed Rate**

- Certainty around repayment whilst on fixed rate
- Ability to reduce other liabilities whilst on Interest Only repayment for a fixed term using surplus cash flow
- Redraw access allowed for any additional repayments made to the loan whilst on a fixed period

**Variable**

- Flexibility to make unlimited additional repayments and access the additional funds at any time
- Flexibility in altering/amending their investment loan at any time with minimal costs

### Consistency between target market and the product

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of customers.

This product enables Owner Occupiers to take advantage of the flexibility of the product whilst making Interest Only repayments. These options include flexible repayment options, through the choice of variable rate, fixed rate, or a split between both options.

The **Variable rate** option offers additional flexibility by allowing unlimited additional repayments to be made. This rate isn't locked in, so it is suitable for those wanting to take advantage of any rate decreases over the loan's term. This option also allows for additional cash flow, as members can redraw on any extra repayments made.

The **fixed rate** options provide certainty, as borrowers know their repayments won't change during the fixed rate term. Will not be impacted by interest rate fluctuations during the fixed term, however there is limited flexibility however as additional repayments are limited during the fixed term

### Excluded class of consumers

This product has not been designed for individuals who:

- Have a deposit of less than 5%
- Are Members of the Bank
- Do not meet the Bank's Credit eligibility criteria at time of application
- Seeking a home loan for investment purposes

## 3. How this product is to be distributed

### Distribution conditions

This product can only be distributed and/or in accordance with the relevant product terms and conditions as outlined in the FSG and other relevant material (as amended from time to time). This product is designed to be distributed through:

- Online through the Bank's Website
- In-store retail branch network
- Relationship Banking Team
- Direct Team & Mobile Lenders

This product should only be distributed under the following circumstances:

- An existing, or becoming a member of the Bank Ltd
- Be 18 years of age or over and demonstrated ability to make repayments
- Access the product through the appropriate distribution channels

### Adequacy of distribution conditions and restrictions

The Bank's application process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the Bank's application process would make it more likely that a product covered by this TMD will be acquired by persons in the Target Market.

## 4. Reviewing this target market determination

We will review this target market determination in accordance with the below:

<b>Initial review</b>	Within 9 months of the effective date.
<b>Periodic reviews</b>	At least every 12 months from the initial review.
<b>Review triggers or events</b>	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>• If we make a material change to the design or distribution of the product, including related documentation;</li> <li>• If a significant inconsistent dealing in the product occurs</li> <li>• If any other event occurs indicating that this TMD may no longer be appropriate.</li> <li>• An alteration in the eligibility criteria, lending criteria or application process;</li> <li>• Identified systemic issues in the product or across the product lifecycle;</li> <li>• Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention;</li> <li>• Relevant feedback, information or notification received from distributor, regulator such as ASIC or APRA or other interested parties;</li> <li>• Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and</li> <li>• Any significant dealings that are inconsistent with the TMD</li> </ul>

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

## 5. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

<b>Complaints</b>	Distributors will report all complaints in relation to the product covered by this TMD on a quarterly basis. This will include but not limited to the number and nature of complaints received regarding the product’s design, key attributes and distribution.
<b>Significant dealings</b>	<p>The nature and the circumstances of the significant dealing (including why the dealings occurred outside the Target Market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates and whether consumer harm or detriment has or likely occurred as a result of the significant dealing.</p> <p>Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.</p>
<b>Sale and Transaction Data</b>	<i>Distribution information required e.g.,</i> transaction data, outcomes from sale practices like promotions and monitoring on a monthly period. Member data relevant to sale.