

Target Market Determination

Home Loan (Owner Occupied)

Start Date: 24th January 2023

Date the determination was made

Version: 2.0

1 | Product Information

Product:

Home Loan (Owner Occupied)

A fixed or variable rate credit facility used to purchase or refinance a residential property for owner occupied purposes or another personal purpose.

Product Options:

The options available for the product

L300 Basic Home Loan Owner Occupied Principal & Interest

A principal and interest option for the product that does not have access to an offset facility or the ability to fix the interest rate.

L100PI Home Loan Plus Owner Occupied Principal & Interest

A principal and interest option for the product that has access to an offset facility.

L100IO Home Loan Plus Owner Occupied Interest Only

An interest only option for the product that has access to an offset facility.

Associated Products:

The other facilities included with the product and covered by this determination

BPAY

A non-cash payment facility used to make payment using funds available in the facility on a platform operated by BPAY.

Direct Debit

A non-cash payment facility used to make payment to third party merchants using funds available in the facility.

Electronic Payment

A non-cash payment facility used to make payment to another Auswide account or an account at another financial institution using funds available in the facility.

RTGS

A non-cash payment facility used to make a same day payment to an account at another financial institution using funds available in the facility.

2 | Target Market

Target Market:

Class of consumers that comprise the target market for the product

Consumer

Description:

This describes consumers in the target market

Objectives & Needs

A person who may seek to purchase a residential property, access equity in a residential property or refinance an existing credit facility for owner occupied purposes or another personal purpose.

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Financial Situation

A person who will have financial capacity to pay fees, interest and, depending on the product option, repayments of principal as and when such amounts become payable and due and, depending on the product option, will have sufficient funds to benefit from the offset facility.

Product Description:

This describes the product

A credit facility with the following key attributes:

- the ability to use the credit to purchase residential property or refinance a credit facility for such purpose or another personal purpose;
- the consumer is only required to make payment of fees, interest and, depending on the product option, repayments;
- the property must be used for owner occupied purposes;
- depending on the product option, a fixed or variable rate; and
- depending on the product option, an offset facility.

In general, it is only available to consumers that meet standard eligibility criteria.

Appropriateness Statement:

This explains why the product is consistent with the likely objectives, financial situation and needs of the target market

The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of consumers in the target market as described in this determination.

3 | Distribution

Distribution Conditions:

The conditions and restrictions on the distribution of the product

Marketing and Promotions

This condition applies to marketing and promotional materials that describe the product

Condition 1

A distributor must only market and promote the product through:

- advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;
- in person recommendations to access marketing material (including in branch communications, through mobile lenders and through broker and referrer networks); and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is wide.

Retail Product Distribution Conduct (other than Marketing and Promotions)

Condition 2

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) through:

- in person communications (including in branch, through mobile lenders, and through broker and referrer networks);

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This condition applies to all conduct (other than marketing and promotions) such as issuing, arranging and providing disclosure material

- through the issuer's and other approved third party digital platforms; and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is wide.

Condition 3

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) if it has identified the key difference between:

- the product (including the specific product option requested by the consumer); and
- the other products options for the product and other separate credit products (including home loan (investment) and line of credit products) issued by the issuer.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

4 | Review

Review Date:

The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.

Review Triggers:

The events and circumstances that would reasonably suggest the determination is no longer appropriate

The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:

Material Complaints	material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.
Financial Difficulty	a significant number of customers experiencing financial difficulty, of which the issuer becomes aware, related directly to the appropriateness of the loan, which the issuer determines may relate to the appropriateness of the determination.
Product Performance	evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.
Distributor Feedback	reporting from distributors, or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.
Substantial Product Change	a substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.

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Reporting Information:

The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period

Significant Dealing	a material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.
Notification from ASIC	a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.
	A distributor that engages in retail product distribution conduct in respect of this product must provide the following information in writing to the issuer within the times specified below:
Complaint Information	<p>Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
Financial Difficulty	<p>Information about customers experiencing financial difficulty related directly to the unsuitability of the product of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
Distributor Feedback	<p>Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
Significant Dealing	<p>Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.</p>
Information Requested by Issuer	<p>Information reasonably requested by the issuer.</p> <p>The distributor must provide the information by the date requested by the issuer.</p>

Reporting Period:

The reporting period for this determination is every 3 months commencing from the Start Date.

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Notes:

Other information relevant to the distribution of the product

Nil

5 | Document Control

Version	Start Date	Comments
1.0	5 th October 2021	Determination commenced as a result of the new DDO Regime.
2.0	24 th January 2023	Extended the 'Product Option' Basic Home Loan description to clarify a fixed interest rate is not an option.