

Goldrate Bridging 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 borrowers who are aiming to purchase as an owner occupier and require a short-term finance option between the sale of their old house and the purchase of their new one. It is suitable for those looking to make minimal/ or nil repayments during the bridging term, and 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 20% 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
- Available for construction purposes

Public

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The product offers interest only repayment on a variable rate through the 12-month bridging term. Allowing customers to make nil Interest repayments through this period. Fixing their rate for a period of time is NOT recommended under the bridging term as individual financial circumstances may vary, depending on the sale of their current property. The flexibility on a variable rate is recommended.

Objectives, financial situation, and needs

This product has been designed for individuals who:

- Are looking to Increase cash flow and minimise outgoings though bridging period
- Are looking for the ability to achieve property whether downsizing or upgrading/ and or financial circumstances changing
- Wish to secure home ownership and stability
- Have a deposit over 20% either via equity from existing property or funds
- Own/ or are buying existing property in which they intend to sell, and require a short-term finance option
- Utilise current properties equity to reduce overall loan balance at end of bridging term, once property has sold
- Achieve the optimal structure of their loan by capitalizing on the benefit of the products flexibility and Interest only repayments to maximize the growth of their cash flow through the bridging term, and stability of home ownership, whilst they are potentially making principal and interest repayments to their current mortgage.
- Are likely to have equity/ and or capital growth in their existing property, but are cash flow low

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

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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 to buy/build a home and require short term finance.

Excluded class of consumers

This product has not been designed for individuals who:

- Have a deposit of less than 20%
- 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.

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4. Reviewing this target market determination

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

Initial review	Within 9 months of the effective date.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	<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"> • If we make a material change to the design or distribution of the product, including related documentation; • If a significant inconsistent dealing in the product occurs • If any other event occurs indicating that this TMD may no longer be appropriate. • An alteration in the eligibility criteria, lending criteria or application process; • Identified systemic issues in the product or across the product lifecycle; • Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention; • Relevant feedback, information or notification received from distributor, regulator such as ASIC or APRA or other interested parties; • Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and • Any significant dealings that are inconsistent with the TMD

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.

Complaints	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.
Significant dealings	<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>
Sale and Transaction Data	<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.