

## **Essential Workers Home Loan – Owner Occupier Principal and Interest**

### **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 31 January 2025

### **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 suitable for Essential Service Workers who are:

- police officers, ambulance officers, firefighters, paramedics, rescue workers or other emergency service workers who are first responders; or
- nurses, allied health workers, school teachers, ministers of religion, social workers, transport workers, cleaners; or
- serving defence force personnel, border force, prison guards;
- other classes of persons performing community services which HOPE defines as essential for the purposes of the Essential Worker Home Owner Solution.

and looking to buy an established residential property close to where they work. The above group will be purchasing an established residential property as owner occupiers in the greater Sydney region which is within 30 minutes commute to your workplace. with the assistance from The HOPE Housing Investment Trust which acquires up to a maximum 50% of the loan amount borrowed The consumer will also require Lender's Mortgage Insurance to fulfil the desired outcome only if applicable.

#### **Product description and key attributes**

The key eligibility requirements are:

- Essential Service Workers as defined above
- An existing, or becoming a member of Police Bank
- Be an Australian Citizen or a Permanent Resident of Australia and 18 years of age or over
- A minimum 5% deposit
- Must meet the Bank's credit criteria
- And must meet Hope Housing suitability criteria
- Looking to purchase a home to live in

The key product attributes are:

- Minimum loan amount is \$50,000
- No monthly account keeping fee

## **Essential Workers Home Loan – Owner Occupier Principal and Interest**

- No annual fee
- Option to split home loan into variable and fixed rate options
- Repayment frequency options Weekly, Fortnightly or Monthly
- LVR up to 95% available with Lender’s Mortgage Insurance (required for LVR’s over 80%)

Variable rate - key attributes:

- Unlimited additional repayments
- Redraw available subject to approval by Hope Housing

Fixed rate - key attributes

- 1-, 2-, 3- and 5-Year Fixed terms available
- Up to \$9,999 additional repayments per year

Fixed and Variable key attributes

- Customers can get the best of both worlds and get the benefit 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:

- Are buyers looking to purchase an established residential property to be lived in by the owner and must be within 30 minutes commute of their work place
- Are looking to have a shared ownership with The HOPE Housing Investment Trust
- Have a minimum of 5% deposit to contribute towards their purchase, accepting Lenders Mortgage Insurance will be applicable & capitalised onto Police Banks portion of the loan amount.
- Owner Occupier’s planning to establish residential security for long term sustainability

### **Fixed Rate**

- Certainty around repayment whilst still reducing principle off loan balance
- Flexibility to make additional repayments

### **Variable**

- Flexibility to make unlimited additional repayments

### **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 customers to take advantage of the flexibility of the product whilst making principal and interest repayments. These options include flexible repayment options, through the choice of variable rate, fixed rate, or a split between both options.

### **Excluded class of consumers**

This product has not been designed for individuals who:

- Do not meet the criteria of Hope Housing
- Have a deposit of less than 5%
- Are not Members of Police Bank
- Do not meet the Bank’s Credit criteria at time of application
- Seeking a home loan for investment property

**Essential Workers Home Loan – Owner Occupier Principal and Interest**

**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 Branches
- Relationship Team

This product should only be distributed under the following circumstances:

- An existing member, or is becoming a member of Police Bank
- Be 18 years of age and meets the Banks credit criteria
- Be a permanent resident of Australia
- Access the product though 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>Periodic reviews</b>	At least every 12 months from the TMD version date.
<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):</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.

**Essential Workers Home Loan – Owner Occupier Principal and Interest**

**5. REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION**

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

<b>Complaints</b>	The Bank 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>	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. The Bank will report if they become aware of a significant dealing in relation to this TMD within 10 business days.
<b>Sale and Transaction Data</b>	Distribution information required e.g., transaction data, outcomes from sale practices like promotions and monitoring on a monthly period. Member data relevant to sale.