

# Australian Unity Kickstarter Home Loan Target Market Determination

This target market determination (“TMD”) provides information to customers, distributors, and Australian Unity staff to understand the class of consumers this product is designed for and our approach to determining that the product is likely to be consistent with the likely objectives, financial situation and needs of the customers to whom the product is distributed.

This TMD does not provide an exhaustive list of the features and terms of the product. This TMD should be read in conjunction with the product’s terms and conditions, available at [australianunity.com.au/banking/terms-and-conditions](http://australianunity.com.au/banking/terms-and-conditions) (“Terms of Use”). This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation.

In this document the terms “Australian Unity”, “we” and “our” refer to the Issuer.

## Product Information

Product name	Kickstarter Home Loan
Issuer name	Australian Unity Bank Limited
ABN	30 087 652 079
AFSL	237994
ACL	237994
Date of TMD	5 October 2021
TMD version no.	1.0

## Key Features of the product

The key features of the product include:

- a variable interest rate home loan with principal and interest repayments (not interest-only)
- a one-off establishment fee, flexible repayments (weekly, fortnightly or monthly), loan top up (a valuation is required), unlimited redraws (minimum redraw amount applies) and loan repayment holiday feature (if the loan is in advance)
- no monthly or annual fees
- fees apply for discharge of the loan and in other situations (refer to Terms of Use)
- unlimited additional repayments
- a minimum and maximum loan amount (refer to Terms of Use)
- a minimum deposit amount based on the value of the property (refer to Terms of Use)
- Lenders Mortgage Insurance (LMI) is required for loans above 80% Loan to Value Ratio (LVR) (i.e. loans where the deposit is less than 20% of the value of the property)
- flexible loan terms available between 1 - 30 years
- no offset facility

For a detailed product description refer to the Terms of Use available on the Australian Unity website.

## Target Market

The target market for this product is people seeking to buy or refinance an owner-occupier home with a no-frills variable interest rate loan, that has no monthly or annual fees, the flexibility to make extra repayments and redraw funds.

The likely objectives, financial situation and needs of consumers in the target market include persons who:

- are looking for a simple, no-frills owner-occupier principal and interest variable rate home loan,
- want the ability to pay extra money (payments) off their loan in addition to the minimum loan repayments,
- want the ability to withdraw extra money (payments) when ahead on repayments to pay for changing circumstances (minimum redraw amount applies) or take a loan repayment holiday when ahead of their loan repayment schedule,
- will be using their owner-occupied property as security for the loan,
- have the minimum deposit amount required,
- have sufficient income to support principal and interest repayments, having regard to other financial commitments, and
- satisfy our loan application requirements.

This product is not suitable for people who want:

- × a construction or investment loan,
- × an interest only loan repayment option,
- × a loan amount outside the minimum or maximum available
- × the ability to obtain repayment amount certainty by locking in a fixed interest rate for a fixed interest rate term,
- × the option of setting up an offset account, or
- × the ability to split a loan into two separate loans (one with a fixed interest rate and the other a variable interest rate).

We consider the product is likely to be consistent with the objectives, financial situation and needs of consumers in the identified target market because the product's features are consistent with the identified borrowing needs of these consumers.

## Distribution Conditions

1. The product is only distributed via the following channels:
  - Digital Online
  - Direct Personal Banker at Australian Unity
  - Third Party Distributor/Mortgage Brokers
2. Products under this TMD can only be issued to consumers who are eligible for the product in accordance with Australian Unity's product application process.

3. Products under this TMD can be distributed either directly by Australian Unity, or by Third Party Distributors/Mortgage Brokers approved by Australian Unity.
4. All distributors must comply with their responsible lending obligations, including making reasonable enquires about a consumer's requirements and financial situation.

We consider that the distribution conditions will make it more likely that the consumers who acquire the product are in the target market because only Australian Unity and Australian Unity-approved distributors are authorised to distribute the product; and all distributors understand the target market this product has been designed for, the product's key features, and the eligibility criteria, and have the requisite skills to distribute the product appropriately. All applications, including those arranged by a third party, are assessed by Australian Unity prior to the product being issued.

## Review Triggers

This TMD must be reviewed where any event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):

- Identified systemic issues that indicate that the product is no longer appropriate for the target market.
- A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate.
- A material change to the product, the terms and conditions of the product or its distribution occurs, which would cause the TMD to no longer be appropriate.
- Any significant dealings that are inconsistent with the TMD.
- Relevant industry feedback, information or notification received from a distributor, industry body or regulator, which would reasonably suggest the TMD is no longer appropriate.

## Review of this document

First Review Date: 1 October 2022

Review Frequency: Every year after the last review

## Distribution Information Reporting Requirements

The following information must be provided to Australian Unity by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
<b>Complaints in relation to the product</b>	Number of complaints	Within 10 business days after each quarter or earlier on an ad-hoc basis.
<b>Significant dealing(s)</b>	Date or date range of the significant dealing(s) and description of the significant dealing (i.e. why the dealing is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
<b>General feedback relating to the product (if any)</b>		As relevant