

# Australian Unity Wealth Builder Investor 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	Wealth Builder Investor 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 or fixed interest rate investor loan, which offers principal and interest and interest only repayments
- interest only terms available (refer to Terms of Use)
- fixed rate terms available (refer to Terms of Use)
- establishment fee\*, interest rate lock, flexible repayments (weekly, fortnightly or monthly), loan top up (a valuation is required), unlimited redraws (minimum redraw amount applies, available on variable loans only), a split loan facility (minimum split amount and maximum splits) and loan repayment holiday feature (if the loan is in advance)
- fees apply for discharge of the loan and in other situations (refer to Terms of Use)
- unlimited additional repayments when on a variable interest rate
- maximum yearly additional repayments when on a fixed interest rate
- 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 investment property)
- flexible loan terms available between 1 – 30 years
- an optional 100% offset facility available on variable loans (monthly fee applies, refer to Loan Fee Schedule). Optional 100% offset facility not available on fixed rate loans

- an optional annual fee to access the “Wealth Builder Investor Package” to receive a discount on investor loan interest rates
- repayments from a linked Australian Unity account only

\*No establishment fee if the customer opts for the “Wealth Builder Investor Package” with an annual fee.

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 residential investment property with a flexible loan that’s full of features, including variable or fixed interest rates, split loan options, redraw funds and the ability to reduce interest via an offset account (variable loan or variable rate portion of split loan only).

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

- are looking for a fully featured residential investment principal and interest, or interest only, loan,
- want the flexibility to choose between a variable, fixed or split rate (variable and fixed interest rate) loan to take advantage of interest rate movements and manage finances,
- want the ability to pay extra money (payments) off their loan in addition to the minimum loan repayments:
  - maximum yearly additional repayments on fixed rate loan or fixed rate portion of split loan
  - unlimited additional repayments on variable rate loan or variable rate portion of split loan
- want the ability to withdraw extra money (payments) when ahead on repayments to pay for changing circumstances (minimum redraw amount applies, only applies to variable rate loans or the variable rate portion of split loans) or take a repayment holiday when ahead of their loan repayment schedule,
- want the option of setting up an offset facility on variable rate loans for a monthly fee (fee is waived if you opt for the “Wealth Builder Investor Package” with an annual fee),
- will be using their residential investment property as security for the loan,
- have the minimum deposit amount required,
- have sufficient income to support principal and interest or interest only repayments, having regard to other financial commitments, and
- satisfy our loan application requirements

This product is not suitable for people who want:

- × an owner-occupier home loan,
- × a loan amount outside the minimum or maximum available

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</b>		As relevant

180  
YEARS



the product (if any)		
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