

# Target Market Determination

## Basic Variable Home Loan (First Home Loan Deposit Scheme)

<b>Product</b>	Basic Variable Home Loan (First Home Loan Deposit Scheme)
<b>Issuer</b>	MyState Bank Ltd ABN 89 067 729 195 ACN 067 729 195 AFSL / ACL 240896
<b>Date of TMD</b>	5 October 2021
<b>Target Market</b>	<p><i>Description of target market</i></p> <p>The features of this product are likely to be consistent with the likely objectives, financial situation and needs of consumers who:</p> <ul style="list-style-type: none"> <li>• are aged 18 years or over and;</li> <li>• meet both First Home Loan Deposit Scheme and MyState eligibility criteria, including MyState’s Mortgage Lending Standard requirements; and</li> <li>• are looking to purchase or build their first owner occupied residential property; and</li> <li>• require the flexibility to make additional repayments and redraw funds as required.</li> </ul> <p><i>Target market rationale</i></p> <p>The product benefits consumers within the target market by allowing them to either:</p> <ul style="list-style-type: none"> <li>• purchase a first home to live in with a deposit of as little as 5% without the requirement to pay Lenders Mortgage Insurance; or</li> <li>• in the case of eligible single parents with one or more dependent children to purchase a family home to live in with a deposit of as little as 2% without the requirement to pay Lenders Mortgage Insurance.</li> </ul> <p>Whilst variable interest rates may fluctuate, the product benefits consumers within the target market by permitting them to make additional repayments to reduce interest payable and build additional equity in the property whilst retaining the ability to draw on those additional repayments when required.</p> <p><i>Description of product, including key attributes</i></p> <ul style="list-style-type: none"> <li>• Variable interest rate (rate may fluctuate over the loan term)</li> <li>• Redraw available for repayments made in advance of minimum required repayments</li> <li>• Offset account not available</li> <li>• Minimum loan amount \$100,000</li> <li>• Maximum loan term 30 years</li> <li>• Maximum loan to valuations ratio (LVR) of 95%</li> <li>• Repayment options - principal and interest (interest only for construction loans during the period of construction)</li> <li>• Repayment frequency – weekly fortnightly or monthly</li> </ul>

TMD Basic Variable Home Loan (FHLDS) v1.0 effective 5 October 2021

This document is applicable to MyState Bank Limited (MyState Bank) ABN 89 067 729 195 AFSL/ACL 240896.  
A wholly owned subsidiary of MyState Limited ABN 26 133 623 962

- Establishment fee may be payable
- Nil ongoing monthly or annual fees
- Nil redraw fee for redraw conducted via internet banking (a fee applies for staff assisted redraw)
- Lenders Mortgage Insurance does not apply
- Extensions to loan amount or loan term are not permissible

***Classes of customers for whom the product may not be suitable***

This product may not be suitable for customers who:

- do not meet MyState’s eligibility requirements;
- do not meet First Home Loan Deposit Scheme eligibility requirements;
- require the certainty of fixed repayments over the initial term of the loan;
- are looking to purchase or refinance a residential investment property;
- require an offset facility.

**Distribution Conditions**

Channel	Conditions
Direct - online	Not available
Direct – by phone	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.
Direct – in branch	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.
Third party – Accredited mortgage brokers	All applications must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers will have the necessary training, skills and knowledge to assess whether the consumer is within the target market or is in the best interests of the consumer.

<p><b>Review Triggers</b></p>	<p>The review triggers that may reasonably suggest that the TMD is no longer appropriate include where there is:</p> <ul style="list-style-type: none"> <li>• A significant dealing in the product to customers outside the target market;</li> <li>• A significant number of customer complaints in relation to their purchase or use of the product during the preceding 6 months;</li> <li>• A material change to the product or the terms and conditions of the product occurs which may result in the target market no longer being appropriate; e.g. a material increase in interest rates or fees</li> <li>• A material change in the regulatory environment;</li> <li>• A significant number of total loans for the product that are 90 days or more in arrears;</li> <li>• A significant number of loans for the product have been subject to a hardship variation;</li> <li>• A significant number of customers that have switched to alternate products whilst the product is still offered.</li> </ul>									
<p><b>Review Periods</b></p>	<p><b>First review date:</b> 5 October 2022  <b>Periodic reviews:</b> every 1 year after the initial and each subsequent review</p>									
<p><b>Distribution Reporting Requirements</b></p>	<p>The following information must be provided to MyState by distributors who engage in retail product distribution conduct in relation to this product:</p> <table border="1" data-bbox="400 1211 1406 1592"> <thead> <tr> <th>Type of Information</th> <th>Description</th> <th>Reporting period</th> </tr> </thead> <tbody> <tr> <td>Complaints</td> <td>Number (and nature) of complaints</td> <td>Every 6 months</td> </tr> <tr> <td>Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')</td> <td>Details of any significant dealing(s) in the product outside the target market and a description of the significant dealing</td> <td>As soon as practicable, and in any case within 10 business days of the significant dealing</td> </tr> </tbody> </table>	Type of Information	Description	Reporting period	Complaints	Number (and nature) of complaints	Every 6 months	Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')	Details of any significant dealing(s) in the product outside the target market and a description of the significant dealing	As soon as practicable, and in any case within 10 business days of the significant dealing
Type of Information	Description	Reporting period								
Complaints	Number (and nature) of complaints	Every 6 months								
Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')	Details of any significant dealing(s) in the product outside the target market and a description of the significant dealing	As soon as practicable, and in any case within 10 business days of the significant dealing								