

# Target Market Determination

## Fixed Rate Home Loan

Product	Fixed Rate Home Loan
Issuer	MyState Bank Ltd ABN 89 067 729 195 ACN 067 729 195 AFSL / ACL 240896
Date of TMD	5 October 2021
Target Market	<p><b>Description of target market</b></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 the eligibility criteria including MyState’s Mortgage Lending Standard requirements; and</li> <li>• are looking to purchase or refinance an owner occupied residential property; and</li> <li>• require the certainty of fixed repayments for the initial term of the loan.</li> </ul> <p><b>Target market rationale</b></p> <p>Whilst the product has a cap on additional repayments and does not permit redraw, the product benefits consumers within the target market by offering them an interest rate which cannot vary during the initial fixed rate term, making household budgeting easier.</p> <p>Description of product, including key attributes</p> <ul style="list-style-type: none"> <li>• Fixed interest rate based on the loan amount as a percentage of the property value at the time of purchase or refinance for an initial term of 1,2,3 or 5 years</li> <li>• Interest rate based on the loan amount as a percentage of the property value</li> <li>• \$10,000 additional repayments allowed per annum (redraw not available)</li> <li>• Minimum loan amount \$30,000</li> <li>• Maximum loan term 30 years</li> <li>• Repayment options - principal and interest and interest only (higher interest rates may apply where repayments are interest only)</li> <li>• Repayment frequency – weekly fortnightly or monthly</li> <li>• Establishment fee is payable (A higher fee may apply where the loan amount is above 80% of the value of the property)</li> <li>• Nil ongoing monthly or annual fees</li> <li>• Rate lock option available at time of application</li> <li>• Lenders Mortgage Lenders Mortgage Insurance applies if loan amount is greater than 80% of the value of the property</li> </ul>

	<p><b>Classes of customers for whom the product may not be suitable</b>          This product may not be suitable for customers who:</p> <ul style="list-style-type: none"> <li>do not meet the eligibility requirements;</li> <li>require the flexibility to make additional repayments and redraw funds as required;</li> <li>require an offset facility;</li> <li>are looking to purchase or refinance a residential investment property.</li> </ul>											
<p><b>Distribution Conditions</b></p>	<table border="1"> <thead> <tr> <th data-bbox="402 766 683 815">Channel</th> <th data-bbox="683 766 1406 815">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 815 683 887">Direct - online</td> <td data-bbox="683 815 1406 887">Available only for purchasing a house to live in where the borrower has a deposit of 20% or more</td> </tr> <tr> <td data-bbox="402 887 683 1016">Direct – by phone</td> <td data-bbox="683 887 1406 1016">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.</td> </tr> <tr> <td data-bbox="402 1016 683 1146">Direct – in branch</td> <td data-bbox="683 1016 1406 1146">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.</td> </tr> <tr> <td data-bbox="402 1146 683 1301">Third party – Accredited mortgage brokers</td> <td data-bbox="683 1146 1406 1301">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.</td> </tr> </tbody> </table>	Channel	Conditions	Direct - online	Available only for purchasing a house to live in where the borrower has a deposit of 20% or more	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.	
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<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>											



<b>Distribution Reporting Requirements</b>	The following information must be provided to MyState by distributors who engage in retail product distribution conduct in relation to this product:		
	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	