

# Target Market Determination

## Fixed Rate Home Loan (First Home Loan Deposit Scheme)

<b>Product</b>	Fixed Rate 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> 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 the First Home Loan Deposit Scheme and MyState eligibility criteria including MyState’s Mortgage Lending Standard requirements; and</li> <li>• are looking to purchase their first owner occupied residential property; and</li> <li>• require the certainty of fixed repayments for the initial term of the loan.</li> </ul> <p><i>Target market rationale</i> 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 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 fixed rate term, making household budgeting easier.</p> <p><i>Description of product, including key attributes</i></p> <ul style="list-style-type: none"> <li>• Fixed interest rate for an initial term of 1,2,3 or 5 years</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 (interest only for construction loans during the period of construction)</li> <li>• Repayment frequency – weekly fortnightly or monthly</li> <li>• Establishment fee is payable</li> <li>• Nil ongoing monthly or annual fees</li> <li>• Rate lock option available at time of application</li> </ul>

TMD Basic Variable Residential Investment Loan 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

	<ul style="list-style-type: none"> <li>• Lenders Mortgage Insurance does not apply</li> <li>• Extensions to loan amount or loan term are not permissible</li> </ul> <p><b><i>Classes of customers for whom the product may not be suitable</i></b> This product may not be suitable for customers who:</p> <ul style="list-style-type: none"> <li>• do not meet MyState’s eligibility requirements;</li> <li>• do not meet First Home Loan Deposit Scheme 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="402 913 683 963">Channel</th> <th data-bbox="683 913 1407 963">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 963 683 1012">Direct - online</td> <td data-bbox="683 963 1407 1012">Not available</td> </tr> <tr> <td data-bbox="402 1012 683 1137">Direct – by phone</td> <td data-bbox="683 1012 1407 1137">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 1137 683 1263">Direct – in branch</td> <td data-bbox="683 1137 1407 1263">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 1263 683 1424">Third party – Accredited mortgage brokers</td> <td data-bbox="683 1263 1407 1424">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	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.
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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>										

Review Periods	<p><b>First review date:</b> 5 October 2022  <b>Periodic reviews:</b> every 1 year after the initial and each subsequent review</p>		
Distribution Reporting Requirements	<p>The following information must be provided to MyState by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	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	