

# Target Market Determination

## Standard Variable Home Loan

<b>Product</b>	Standard Variable Home Loan
<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 the eligibility criteria including MyState’s Mortgage Lending Standard requirements; and</li> <li>• are looking to purchase, build or refinance an owner occupied residential property; and</li> <li>• require borrowings of between \$30,000 and \$100,000; and</li> <li>• require the flexibility of having an offset facility and / or to make additional repayments and redraw funds as required.</li> </ul> <p><i>Target Market Rationale</i></p> <p>Whilst variable interest rates may fluctuate, the product benefits consumers within the target market by permitting them to deposit funds into an offset account or to make additional repayments to reduce interest payable whilst retaining the ability to draw on those funds when required.</p> <p><i>Description of product, including key attributes</i></p> <ul style="list-style-type: none"> <li>• Variable interest rate based on the loan amount as a percentage of the property value at the time of purchase or refinance (rate may fluctuate over the loan term)</li> <li>• Redraw available for repayments made in advance of minimum required repayments</li> <li>• Minimum loan amount \$30,000</li> <li>• Maximum loan term 30 years</li> <li>• Maximum Loan to Valuation Ratio (LVR) of 95%</li> <li>• Repayment options - principal and interest or 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</li> <li>• Nil ongoing monthly or annual fees</li> </ul>

	<ul style="list-style-type: none"> <li>• Nil redraw fee for redraw conducted via internet banking (a fee applies for staff assisted redraw)</li> <li>• Lenders Mortgage Insurance applies if loan amount is greater than 80% of the value of the property</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>• require borrowings of \$100,000 or more (lower cost options are available);</li> <li>• do not meet the eligibility requirements;</li> <li>• require the certainty of fixed repayments over a term of the loan;</li> <li>• do not require an offset facility (having an offset may come with a higher establishment fee in addition to monthly fees);</li> <li>• are looking to purchase or refinance a residential investment property.</li> </ul>										
<b>Distribution Conditions</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="text-align: left;">Channel</th> <th style="text-align: left;">Conditions</th> </tr> </thead> <tbody> <tr> <td style="background-color: #e6f2ff;">Direct - online</td> <td style="background-color: #e6f2ff;">Available only for purchasing a house to live in where the borrower has a deposit of 20% or more</td> </tr> <tr> <td style="background-color: #e6f2ff;">Direct – by phone</td> <td style="background-color: #e6f2ff;">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 style="background-color: #e6f2ff;">Direct – in branch</td> <td style="background-color: #e6f2ff;">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 style="background-color: #e6f2ff;">Third party – Accredited mortgage brokers</td> <td style="background-color: #e6f2ff;">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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<b>Review Triggers</b>	<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> </ul> <p>A material change to the product or the terms and conditions;  e.g. a material increase in interest rates or fees</p> <ul style="list-style-type: none"> <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> </ul>										

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Review Periods	<p><b>First review date:</b> 5 October 2022  <b>Periodic reviews:</b> Annually, with review to be completed by 5 October</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> <table border="1"> <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
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