



**Vast Capital**

MORTGAGE MANAGEMENT

# TARGET MARKET DETERMINATION

FOR VOC EXPAT CONSTRUCTION – OWNER OCCUPIED VARIABLE

<b>Product</b>	VOC Expat Construction – Owner Occupied Variable
<b>Date Effective</b>	05/10/2021

## ABOUT THIS DOCUMENT

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumer must refer to our Terms and Conditions and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

## TARGET MARKET

### DESCRIPTION OF TARGET MARKET

The features of this product have been assessed as meeting the likely objectives, financial situation and needs of consumers who:

- are:
  - at least 18 years old;
  - individual borrowers (as single or joint borrowers); and
  - an Australian Citizen or a Permanent or Temporary Resident of Australia with an Acceptable Visa that does not reside in Australia or a New Zealand Citizen that does not reside in Australia or New Zealand;
- require a loan build a new owner-occupied home, renovate or demolish and rebuild an owner-occupied property;
- Interest Only option available during construction phase (max 12 months) reverting to Principal & Interest.
- require an offset account;
- require the flexibility of a variable interest rate;
- require the ability to make additional extra repayments without penalty; and
- want the option of either principal and interest or interest only repayments.

Although variable interest rates fluctuate, the product meets the likely objectives, financial situation and needs of consumers in the target market because it allows them to deposit funds into an offset account and/or make additional payments directly into the loan to reduce the amount of interest payable whilst maintaining the ability to draw on surplus funds when required. This

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product also allows consumers to select interest only or principal and interest repayments in order to reduce their overall debt and build equity.

## PRODUCT DESCRIPTION AND KEY ATTRIBUTES

The key eligibility requirements and product attributes of this VOC Expat Construction – Owner Occupied Variable Home Loan are:

- Variable interest rate;
- Repayment options:
  - principle and interest; or
  - interest only
- Redraw available
- Minimum loan size: \$50,000
- Maximum Loan Size: \$2,000,000 (subject to LVR and postcode policy)
- Maximum LVR: 75%
- Offset facility is available
- Application fee is payable
- Settlement fee is payable
- Valuation fee is payable
- Ongoing fee is payable

## EXCLUDED CLASS OF CONSUMERS

This product has not been designed for individuals who are:

- do not meet the eligibility requirements;
- are seeking the certainty of fixed repayments over the term of the loan;
- are looking to purchase or refinance an existing residential owner occupied property;
- are looking to purchase or refinance an investment property; or
- require the ability to provide alternative methods of income verification.

## DISTRIBUTION CONDITIONS / RESTRICTIONS

### Distribution channels

This product is designed to be distributed through the following means:

- Accredited Brokers who hold an ACL
- Authorised Credit representatives

### Distribution conditions

This product should only be distributed under the following circumstances:

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- to individuals that meet eligibility requirements; individuals that have the appropriate borrowing capacity, and in accordance with lending guidelines; by third party distributors authorised by us to distribute the products

The distribution channels and conditions are appropriate because:

- the product has a wide target market;
- our staff have the necessary training, knowledge and accreditation (if required) to assess whether the consumer is within the target market. All of our staff must continually satisfy annual compliance reviews.
- we rely on existing distributors, methods, controls and supervision already in place;
- our approval system has checks and controls in place to flag applicants who may be outside the target market; and
- accredited mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer.

## TMD REVIEWS

### INITIAL REVIEW

Within the 12 months of the effective date.

### PERIODIC REVIEWS

Each year on the anniversary of the effective date..

### REVIEW TRIGGERS

Specific events will prompt Columbus to review this TMD, which includes:

- A significant dealing of the product to consumers outside the target market occurs;
- A significant number of complaints are received from customers in relation to the product;
- A significant number of defaults occur;
- A significant breach has occurred in connection with the issuing and distribution of this product; and
- A significant number of late repayments are being recorded;
- A material change is made to this product.
- Unexpected early stage arrears are detected

If a review trigger occurs, we will complete a review of the TMD within ten business days. Meanwhile, we will cease to offer this product to our customers until our TMD review concludes and any necessary changes to the product or TMD, including distribution methods, are made.

## MONITORING & REPORTING OF THIS TMD

We will need to collect the following information from our distributors in relation to this TMD.

Type of information	Description	Reporting period
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Specific complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
Complaints	Number of complaints	Every 6 months
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Feedback	Details of any suggested feedback and improvements	As soon as practicable, and in any case within 10 business days after becoming aware

## DOCUMENT CONTROL

Version	Start Date	Comments
1.0	05/10/2021	Determination commenced as a result of the new DDO

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