



**Vast Capital**

MORTGAGE MANAGEMENT

# TARGET MARKET DETERMINATION

FOR VM ALT DOC

<b>Product</b>	VM Alt Doc
<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:

- meet the eligibility criteria;
- require a loan to purchase, refinance or construct an owner occupied or investment residential property;
- may want access to other optional features and benefits (such as linked offset account);
- require the option of a variable or fixed rate;
- require the option of either principal and interest or interest only (available for investment residential properties and construction purposes only) repayments; and
- are self-employed and have limited levels of information in relation to employment and income and are therefore unable to provide the financial information necessary to access a lower interest rate.

### Variable Rate

Whilst variable interest rates may fluctuate, the product meets the likely objectives, financial situation and needs of consumers in the target market because it allows them to make additional repayments and/or deposit funds into an offset account to reduce interest payable whilst retaining the ability to draw on those funds when required.

### Fixed Rate

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Australian Credit License: 514 947



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Whilst the product has a limit on additional repayments and does not permit redraw, the product meets the likely objectives, financial situation and needs of consumers in the target market because the fixed rate provides certainty of repayments during the fixed period, making household budgeting easier. Additionally the product benefits consumers within the target market by having an interest only repayment option which may be preferred in some instances for tax purposes.

### **Owner Occupied Residential Property**

This product allows consumers to finance the purchase, refinance or construction of an owner occupied residential property with the ability to select principal and interest repayments in order to reduce the overall debt and build equity.

### **Investment Residential Property**

This product allows consumers to finance the purchase, refinance or construction of an investment property with the ability to select:

- principal and interest repayments in order to reduce the overall debt and build equity; or
- interest only for tax purposes.

## **PRODUCT DESCRIPTION AND KEY ATTRIBUTES**

The key eligibility requirements and product attributes of this VM Alt Doc Home Loan are:

- Variable interest rate.
- Fixed interest rate over 1-5 year term.
- Offset account is available on a variable interest rate.
- Redraw is available on a variable interest rate.
- Minimum loan amount \$50,000.
- Maximum loan amount \$1,500,000.
- Maximum loan term 30 years.
- Maximum Loan to Valuation Ratio (LVR): 80%
- Repayment options:
  - principal and interest and interest only for Owner Occupied.
  - principal and interest and interest only for Investment.
- Repayment frequency – weekly, fortnightly or monthly.
- Settlement fee is payable.
- Annual Facility fee is payable.
- Nil redraw fee for redraw conducted via internet banking (a fee applies for staff assisted redraw).
- Construction administration fee is payable.

## **EXCLUDED CLASS OF CONSUMERS**

This product has not been designed for individuals who:

- do not meet the eligibility requirements;
- are looking to consolidate more than 4 debts;

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- have access to the required information in relation to employment and income to apply for a full doc loan with a lower interest rate.

## 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:

- 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 distributors have been adequately trained to understand their DDO obligations;
- 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

01/10/2021

### PERIODIC REVIEWS

At least every 12 months from the initial review and each subsequent review.

### REVIEW TRIGGERS

The following review triggers would reasonably suggest that the TMD may no longer be appropriate:

- 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;

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- There is a material change to the product or the terms and conditions of the product.

## 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
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.
General complaints information	Number of complaints and general feedback relating to the product and its performance	Every 1 month
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

## DOCUMENT CONTROL

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