



# TARGET MARKET DETERMINATION

FOR VM SPECIALIST WITH VISA PRODUCT

<b>Product</b>	VM Specialist with Visa Reference documents: General Home Loan Terms and Conditions and Credit Guide
<b>Mortgage Manager</b>	Vast Capital Pty Ltd T/A Vast Capital Mortgage Management ("VCMM") ACN 630 388 635, Australian Credit Licence 514947
<b>Issuer</b>	Well Nigh Capital Funding No. 1 Pty Ltd ABN 17 603 911 995 Issuer of the Visa Debit Card is: Indue Ltd ABN 97 087 822 464 AFSL 320204
<b>Date Effective</b>	01/03/2022

## ABOUT THIS DOCUMENT

This Target Market Determination (TMD) has been prepared in accordance with the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 and associated Regulations. TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the likely objectives, financial situation and needs of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

The TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior to acquiring the product to ensure that it is appropriate for their particular objectives, financial situation and needs.

## DESCRIPTION OF TARGET MARKET, INCLUDING LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

The features of this product, including its key attributes, 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
- require the option of consolidating debts.
- may be borrowers who have experienced a life event with adverse credit history who may not qualify for an alternate loan product.
- may be borrowers aged 60 or over (subject to adequate security) who may not qualify for an alternate loan product.
- have any of the above requirements and are borrowing under a Self-managed Superannuation Fund (SMSF) structure.

## 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

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.

### Visa debit card

This product allows consumers to select the option of a visa debit card linked to their offset account in order to easily access their funds, including the ability to withdraw at ATMs and make purchases in person, online or over the phone.

### Description of product, including key attributes

- Variable interest rate.
- Fixed interest rate over 1-5 year term.
- Offset account is available.
- Visa debit card linked to offset account is available.
- Redraw is available on a variable interest rate except for SMSF loans.
- Minimum loan amount \$50,000.
- Maximum loan amount \$2,500,000 (\$1,500,000 for SMSF loan)
- Maximum loan term 30 years.
- Maximum Loan to Valuation Ratio (LVR): 80%
- Repayment options:
  - principal and interest and interest only for Owner Occupied or Investment.
  - Interest only for Construction.
- 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 may not be suitable for individuals who:

- do not meet the eligibility requirements;
- have less than a 20% deposit not including government costs;

## HOW THIS PRODUCT IS TO BE DISTRIBUTED

### Distribution channels and conditions

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

Channel	Conditions
Mortgage Management/White Label	All applications submitted by accredited mortgage managers must comply with our policies and procedures issued to accredited mortgage managers from time to time.

The distribution channels 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 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;

## REVIEWING THIS TARGET MARKET DETERMINATION

We will review this TMD in accordance with the following:

### Review periods

First review date: 1 October 2022.

Periodic reviews: at least every twelve months after the initial review and each subsequent review.

### Review triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include (but are not limited to):

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

Where a review trigger has occurred, this TMD will be reviewed within 10 business days. Meanwhile, we will cease to offer this product to our consumers until our review concludes and any necessary changes to the product or TMD, including distribution methods, are made.

## REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

The following information must be provided to the Issuer by distributors who engage in retail product distribution conduct in relation to this product:

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.
General Complaints Information	Number of complaints and general feedback relating to the product and its performance	Every 1 month
Significant dealings	Date or date range of the significant dealing(s) and description of the significant dealing (eg, 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	01/03/2022	

