

Target Market Determination.

Standard Variable Rate Home Loan Account.

1. Introduction

About this document

This Target Market Determination [TMD] is a document of **Hume Bank Limited**, ABN: 85 051 868 556. AFSL and Australian Credit Licence No: 244248 [Hume Bank].

This TMD seeks to give our customers, staff, product distributors, and other interested parties an understanding of the class of consumers for whom the product described has been designed, how the product is distributed, and related matters.

This TMD is not, and should not be construed as, a full summary of the product's Terms and Conditions. Nor is it a substitute for the provision of financial advice.

When deciding about the product, consumers should refer to the product's Terms and Conditions/Product Disclosure Statement [PDS].

Product to which this Target Market Determination applies

This TMD applies to the Standard Variable Rate Home Loan Account [the product] referred to in the following, that can be found on our website [Product T&Cs page](#):

- Product Disclosure Statement
- General Conditions - Loans and Overdraft Facilities
- Mortgage Memorandum

Effective date of this Target Market Determination

This TMD is effective from 30 August 2023.

2. Class of consumers comprising the product's target market

Below we summarise the class of consumers comprising the target market for the product based on the product's key attributes and the consumers' likely objectives, financial situations, and needs the product has been designed to meet.

Class of consumers

The product has been designed for customers who want a variable rate credit facility for the purpose of bridging finance, with no annual or monthly fees.

Product description, key attributes, and eligibility criteria

The product is a variable rate credit facility used for providing a bridging loan for a residential property for owner occupied or investment purposes.

The product's key attributes are:

- Variable interest rate
- Principal and Interest, and Interest Only repayments available for investments properties.
- Weekly, fortnightly or monthly repayments available
- Unlimited extra loan repayments can be made
- Access to free, unlimited online redraw for extra repayments
- 100% offset account is available
- An application fee applies

The product's eligibility criteria are:

- Standard lending criteria applies

Associated products

The other facilities included with the product and covered by this TMD:

- Cheque – A non-cash payment facility used to make payment to third-party merchants used in the account.
- Electronic Payment – A non-cash payment facility used to make payment to another Hume Bank Account or an account at another financial institution.
- Osko – A non-cash payment facility used to send and receive near real-time payments to and from the account.
- Real Time Gross Settlement (RTGS) - A non-cash payment facility used to make payment to an account within Australia in real time (without any excessive waiting period) using funds available in the facility.

Objectives, financial situations, needs

The product has been designed for individuals who:

- Want a variable interest rate home loan
- Require bridging finance for the purposes of purchasing an owner occupied or investment property

Explanation

The Standard Variable Rate Home Loan Account is consistent with the likely objectives, financial situation and needs of customers in the target market, on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of customers in the target market as described.

Excluded class of consumers

The product has NOT been designed for individuals who:

- Want a fixed rate home loan
- Want to purchase a business or commercial property
- Are not obtaining a bridging loan
- Do not meet standard lending criteria

3. Distribution of the product

Distribution channels and conditions

The product is designed to be distributed through the following means and subject to the following conditions:

Retail Product Distribution Conduct (other than Marketing and Promotions)

1. A distributor must only engage in retail product distribution conduct (other than marketing and promotions) through:
 - In person communications (including in branch, through mobile lenders and through broker and referrer networks);
 - The issuer's and other approved third-party digital platforms; and
 - Any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to customers.

2. A distributor must only engage in retail product distribution conduct (other than Marketing and Promotions) if it has identified the key difference between:
 - The product; and
 - Other credit products issued by the issuer.

This condition is appropriate as it requires a distributor to confirm that the customer is in the target market.

Marketing and Promotions

1. A distributor must only market and promote the product through:
 - Advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;
 - In person recommendations to access marketing material (including in branch communications);
 - Any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to customers.

4. Reporting by distributors of the product

Distributors of the product must keep complete and accurate records of distribution information. The following information must be provided to Hume Bank by distributors who engage in retail product distribution conduct in relation to the product:

- Every three months, information about complaints received in relation to the product. If complaints were received, the number of complaints and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 – Internal dispute resolution. The distributor must provide this information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.
- Any significant dealings that are not consistent with the target market determination. The date or date range of the significant dealing(s) and description of significant dealing(s) must be reported to Hume Bank as soon as practicable, and in any case within 10 business days after becoming aware of the significant dealing.

All distributors of the product must take reasonable steps that will, or are reasonably likely to, result in distribution being consistent with this TMD.

5. Reviewing this Target Market Determination

Initial review

We will undertake an initial review of this TMD within 12 months of the effective date (see section 1).

Periodic review

We will undertake periodic reviews of this TMD at least every 2 years from the initial review.

Review triggers or events

We will also undertake a review of this TMD in the following circumstances:

- If we make a material change to the design or distribution of the product
- If a significant inconsistent dealing in the product occurs
- If complaints exceed a pre-determined level of tolerance
- If we detect the product has been sold to ineligible customers
- If we detect that current account owners/holders exceed predetermined tolerance of ineligibility.
- If ASIC raises concerns about the product's design or distribution
- If the Australian Financial Complaints Authority or a Court raise concerns about the product's design or distribution
- If the product's design or distribution receive adverse media coverage
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.

Where a review trigger or event occurs, we will review this TMD within 10 business days.