

Target Market Determination

Personal Line of Credit

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: 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 Personal Line of Credit [the product] referred to in the following, that can be found on our website [Product T&Cs page](#):

- Product Disclosure Statement
- Fees and Charges
- General Conditions - Loans and Overdraft Facilities

Effective date of this Target Market Determination

This TMD is effective from 2 December 2024.

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 require access to a line of credit facility up to an established credit limit and secured against owner-occupied or investment property.

Product description, key attributes, and eligibility criteria

The product is a continuing credit facility which can be repaid and then reused again without the need to apply for an additional loan.

The product's key attributes are:

- Redraw on extra repayments without penalty
- A variable interest rate charged monthly on daily debit balances (and no interest is paid on credit balance)
- Pay as much or as little as needed off the balance during the term of the loan, with full repayment only required at the end of the contracted loan term
- Visa Debit Card access
- Chequebook access only available for individuals over 18 years of age on accounts that have an existing cheque facility attached
- No early repayment or break costs
- Paper or electronic statements

The product's eligibility criteria are:

- Standard lending criteria applies

Associated products

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

- BPAY – A non-cash payment facility used to make payment using funds held in the product on a platform operated by BPAY.
- Cheque – A non-cash payment facility used to make payment to third-party merchants used in the account.
- Direct debit – A non-cash payment facility used to make payment to third party merchants using funds held 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.
- Periodical payment - Direct debit – A non-cash payment facility used to make payment to third party using funds held in the account.
- Visa Debit Card – A non-cash payment facility used to make purchases and cash withdrawals through Visa Debit functionality or eftpos functionality using the card issued with the product.

Objectives, financial situations, needs

The product has been designed for individuals who:

- Require a transactional continuing credit facility secured against residential property to assist with cashflow
- Want card and/or chequebook access available on their continuing credit facility
- Will have the financial capacity to pay fees, interest and repayments as when such amounts become due and payable

Explanation

The Personal Line of Credit is consistent with the likely objectives, financial situation and needs of the customer 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 in this determination.

Excluded class of consumers

The product has NOT been designed for individuals who:

- Are seeking to minimise principle and interest repayments on their loan

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 target market is wide.

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.

3. A distributor must only engage in retail product distribution conduct (other than Marketing and Promotions) if it has identified that the customer is a Hume Bank borrower with a line of credit facility.

This condition is appropriate as it requires the 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 target market is wide.

4. Reporting by distributors of the product

Distributors of this 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 this 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 this 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.