

Target Market Determination

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*.

Product	Home Loan
Reference documents	See product guide and product terms and conditions for further details
Issuer	SPPF Pty Ltd ACN 654 988 931
Date of TMD	5 October 2021
Target Market	<p>Description of target market, including likely objectives, financial situation and needs</p> <p>The features of this product have been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none"> • meet our eligibility criteria (including but not limited to); <ul style="list-style-type: none"> ○ have been self-employed with an ABN for more than 12 months; and ○ may have a spouse that is a PAYG employee; • require a loan to refinance an owner occupied or investment residential property; • require a loan to purchase an owner occupied or investment residential property; • require a loan to refinance and consolidate other lending products into one loan; • Require a loan partly for the purpose of business investment; • require the flexibility of a variable interest rate; • require the ability to make unlimited extra repayments and access redraw; and • require a choice of either principal and interest or interest only repayments. <p>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 the loan account to reduce interest payable whilst retaining the ability to draw on those funds when required.</p>

Owner Occupied Residential Property

This product allows consumers to finance the purchase or refinance 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 or interest only repayments for up to 5 years.

Investment Residential Property

This product allows consumers to finance the purchase or refinance of a residential 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.

Description of product, including key attributes

- Variable interest rate.
- Redraw is available.
- Minimum loan amount \$20,000.
- Maximum loan amount \$4,000,000X.
- Maximum loan term 30 years.
- Maximum Loan to Valuation Ratio (LVR): 80%
- Repayment options: principal and interest and interest only
- Repayment frequency – weekly, fortnightly or monthly.
- Application fee \$330 is payable].
- Annual Account Fee of \$250pa is payable
- A Risk fee of 1to3% based on the level of supporting documentation provided.
- Legal costs as applicable to the individual loan

Classes of consumers for who the product may not be suitable

This product may not be suitable for consumers who:

- do not meet the eligibility requirements;
- are seeking the certainty of fixed repayments over the term of the loan;
- require funds to construct a property; and
- are PAYG employees (unless at least one other co-borrower is self-employed).

Distribution Conditions	<p>Distribution conditions</p> <p>The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <table border="1" data-bbox="392 551 1343 1137"> <thead> <tr> <th data-bbox="392 551 727 595">Channel</th> <th data-bbox="727 551 1343 595">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 595 727 779">Direct</td> <td data-bbox="727 595 1343 779">Only authorised staff are permitted to assist consumers with this product. Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</td> </tr> <tr> <td data-bbox="392 779 727 1088">Third party – Licenced mortgage brokers subject to Best Interests Duty (BID)</td> <td data-bbox="727 779 1343 1088">Mortgage brokers must be operating under their own credit licence. All applications must be submitted to ScotPac for assessment and comply with ScotPac's policies and procedures issued to accredited brokers from time to time. Mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer.</td> </tr> <tr> <td data-bbox="392 1088 727 1137"></td> <td data-bbox="727 1088 1343 1137"></td> </tr> </tbody> </table> <p>The distribution channels and conditions are appropriate because:</p> <ul data-bbox="443 1205 1353 1429" style="list-style-type: none"> • our distributors have been adequately trained to understand their DDO obligations; • ScotPac's approval system has controls in place to flag applicants who may be outside the target market; and • mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer. 	Channel	Conditions	Direct	Only authorised staff are permitted to assist consumers with this product. Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.	Third party – Licenced mortgage brokers subject to Best Interests Duty (BID)	Mortgage brokers must be operating under their own credit licence. All applications must be submitted to ScotPac for assessment and comply with ScotPac's policies and procedures issued to accredited brokers from time to time. Mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer.		
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Review Triggers	<p>The following review triggers would reasonably suggest that the TMD may no longer be appropriate:</p> <ul data-bbox="443 1594 1353 1908" style="list-style-type: none"> • 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 applications for hardship; • A significant number of defaults; and • There is a material change to the product or the terms and conditions of the product. 								
Review Periods	<p>First review date: 5 October 2022</p>								

	<p>Periodic reviews: at least every 12 months from the initial review and each subsequent review.</p> <p>Trigger reviews: review to be completed within 10 business days of the identification of a trigger event.</p>		
<p>Distribution Information Reporting Requirements</p>	<p>The following information must be provided to the Issuer by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	<p>Type of information</p>	<p>Description</p>	<p>Reporting period</p>
	<p>Specific Complaints</p>	<p>Details of the complaint, including name and contact details of complainant and substance of the complaint.</p>	<p>As soon as practicable and within 10 business days of receipt of complaint.</p>
	<p>General Complaints Information</p>	<p>Number of complaints and general feedback relating to the product and its performance</p>	<p>Quarterly</p>
<p>Significant dealing(s)</p>	<p>Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</p>	<p>As soon as practicable, and in any case within 10 business days after becoming aware</p>	