

# Target Market Determination

This Target Market Determination (**TMD**) document describes the class of consumers that this product has been designed for, being the target market and the conditions around how the product is distributed to consumers. 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 likely *objectives, financial situation and needs*. Please refer to our Terms and Conditions and Credit Guide before deciding product suitability.

**Product Name:** Deposit Boost  
**Issuer:** OwnHome Lending Pty Ltd (ACN 664 515 842). The Manager, Allied Financial Consulting Pty Ltd ACN 059 732 419 Australian Credit Licence 393845, arranges for the Lender to make the loan available, which is managed by the Program Manager, OwnHome Services Pty Limited ACN 664 492 059 Authorised Credit Representative 547794  
**Date TMD effective:** 24 October 2023

## Target Market

### Description of target market, including likely *objectives, financial situation and needs* of consumers in the target market

This product has been designed to offer consumers a home loan product which has been specifically designed to fund the deposit required to purchase a residential property for consumers who are a financial position to service the repayments on home loan, but have not saved a deposit, or do not wish to use their own funds to pay a deposit, and do not wish to pay Lenders Mortgage Insurance (**LMI**) on the home loan. LMI is an upfront cost at the time a property is purchased or is financed on a compounding rate of interest.

The features of this product, including its key attributes, have been assessed as meeting the *likely objectives, financial situation and needs* of consumers who:

- satisfy our eligibility criteria;
- have a household income which typically exceeds the household income limits imposed by the Federal Government for the First Home Guarantee (**FHG**) program and so are unable to access the FHG program;
- desire finance to purchase an existing eligible residential property for the purpose of it being their principal place of residence;
- do not have the upfront deposit required to obtain a home loan provided by another lender without paying LMI or wish to retain available funds for other purposes;
- do not want to pay lenders mortgage insurance, or are unable to secure a loan with LMI;
- are eligible for, and can service an 80% loan-to-value ratio (**LVR**) loan provided by another lender;

- desire a loan (up to 25% LVR) to finance the balance of the funds required to complete the purchase of the property;
- can afford to make principal and interest repayments over the term of the loan;
- would like the ability to pay down the most expensive portion of their borrowings first;
- want the ability to make additional repayments (minimum of \$10,000) to reduce their principal outstanding and reduce the interest paid over the term of the loan.

The product meets the likely *objectives, financial situation and needs* of consumers in the target market because it enables consumers to:

- finance up to 100% of the purchase price of an owner-occupied residential property using this product (up to 25% LVR) in combination with a loan from another lender;
- make principal and interest repayments in order to reduce the overall debt and build equity in the property.

This product may not be suitable for consumers who:

- do not meet our eligibility and credit criteria;
- are seeking the certainty of fixed repayments over the term of the loan;
- require an offset account;
- require finance for an off-the-plan property;
- require finance for an investment property;
- require finance for vacant land; or
- require finance for construction of a residential property.

## Product description including key attributes

Interest Rate Type	Variable
Repayment Type	Principal and Interest commencing on settlement
Minimum Loan Size	\$60,000
Maximum Loan Size (subject to a maximum LVR of 25%)	\$600,000
Maximum LVR	25%
Minimum Loan Term	10 years
Maximum Loan Term	30 years
Additional Repayments without penalty	Yes, subject to minimum repayment of \$10,000
Offset	No
Redraw	No
Other Fees Payable on or before settlement	<ul style="list-style-type: none"> <li>• Starter fee – up to 2.2% of the mortgaged property purchase price (the mortgaged property purchase price is the price specified in the consumer's contract to</li> </ul>

	<p>purchase the mortgaged property). This fee includes the provision of a Buyers Agent and a Conveyancer to assist the consumer with the purchase.</p> <ul style="list-style-type: none"> <li>• Valuation fee</li> <li>• Document preparation costs and out-of-pocket expenses</li> <li>• Settlement rescheduling fee – payable if you change the proposed loan date after an appointment for settlement has been made</li> </ul>
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## How this product is to be distributed

Channel	Additional conditions or restrictions
<p>This product may be distributed directly to consumers by OwnHome's in-house staff (online, in person or by phone / video call)</p>	<ul style="list-style-type: none"> <li>• Only prospective retail clients who meet OwnHome's eligibility criteria are able to submit a full application and qualify as prospective customers; and</li> <li>• This product can only be issued to prospective retail clients after OwnHome has applied its affordability and suitability assessment.</li> </ul> <p>These conditions and restrictions are appropriate to make it reasonably likely that the product will be distributed to consumers within the target market because:</p> <ul style="list-style-type: none"> <li>• OwnHome staff who distribute this product are appropriately trained to meet OwnHome's qualification requirements and are appropriately licensed;</li> <li>• Authorised OwnHome staff have the necessary training, skills and knowledge to: <ul style="list-style-type: none"> <li>○ discuss the features, costs, benefits, and risks associated with the product with the applicant;</li> <li>○ assess whether the consumer is within the target market; and</li> <li>○ comply with our regulatory obligations</li> </ul> </li> <li>• our assessment and approval system has controls in place to flag applicants who may be outside the target market.</li> </ul>
<p>This product may be distributed to consumers by accredited third party brokers</p>	<p>OwnHome permits licenced mortgage brokers who have been accredited by OwnHome directly or through an aggregator to distribute this product.</p> <p>OwnHome requires:</p>

	<ul style="list-style-type: none"> <li>• brokers to comply with their legal obligations, which includes the best interests duty.</li> <li>• brokers to meet OwnHome's accreditation requirements which include holding appropriate qualifications, industry memberships and authorisations to engage in credit activities as well as completion of background checks.</li> <li>• any aggregators responsible for third party brokers involved in the distribution of the product to comply with their agreement with OwnHome and take reasonable steps to ensure that their brokers meet OwnHome's mortgage broking requirements.</li> </ul> <p>If aggregators and their authorised brokers fail to comply with the above requirements, it may result in OwnHome terminating their authority to distribute the product.</p> <p>These conditions and restrictions are appropriate to make it reasonably likely that the product will be distributed to consumers within the target market because accredited brokers have the requisite training, skills and knowledge to:</p> <ul style="list-style-type: none"> <li>• assess whether the consumer is within the target market for the product; and</li> <li>• determine that the product is in the best interest of the consumer, in compliance with the broker's 'best interests duty'.</li> </ul>
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## Review periods

OwnHome will review this TMD as set out below:

<b>Initial review</b>	Within the first year of the effective date
<b>Periodic reviews</b>	At least every 12 months from the initial review and each subsequent review.
<b>Review triggers or events</b>	<p>Review to be completed within 10 business days of the identification of any of the following events or circumstances:</p> <ul style="list-style-type: none"> <li>• A material change to the design or distribution of the product, or to the terms of the loan and mortgage documentation</li> <li>• There is a significant dealing in the property outside the target market</li> <li>• The Distribution conditions and restrictions are found to be inadequate in ensuring that the product is only distributed to consumers who are likely to be in the target market. For example, where 5% or more of new approved customers in a</li> </ul>

	<p>calendar month fall outside the target market.</p> <ul style="list-style-type: none"> <li>• There is a change in a relevant law or its application, a change in an industry code or decision of a court of other body (including through regulatory guidance) that materially affects the product</li> <li>• Significant changes in product metrics occur, including (but not limited to): <ul style="list-style-type: none"> <li>◦ We receive 5 or more customer complaints in a calendar month that relate to this product.</li> <li>◦ 5 or more defaults occur in a calendar month; and</li> </ul> </li> <li>• Any other event occurs, or information is received, that reasonably suggests this TMD is no longer appropriate</li> </ul>
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## Distribution Information Reporting Requirements

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

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.	Every 3 months
Significant dealing(s)	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.