

Target market determination

Product name:	Low Rate Home Loan (also known as “Low Rate Home Loan 3 Years Fixed”) (“Product”)
Product type:	Home Loan
Issuer:	Perpetual Trustee Company Limited ACN 000 001 007 (“Perpetual”)
Manager:	Resimac Limited ACN 002 997 935 Australian Credit Licence 247283 of Level 9, 45 Clarence Street, Sydney NSW 2000 (“Resimac”, “we” and “us”)
Reference documents:	Terms & Conditions, Third Party Access Fee Schedule, Key Facts Sheet and Credit Guide
Made by:	Resimac on behalf of Perpetual
Version:	2.0
Date made:	21 March 2022
Last reviewed:	1 September 2021
Ceased date:	In use

1. Target market

Inside the target market

The features of this Product have been assessed as meeting the likely objectives, financial situation and needs of consumers who require a secured loan of between \$100,000 and \$2,000,000, repayable over a term of 15 to 30 years to finance the acquisition of residential property for the purpose of it being their principal place of residence or for investment purposes (or refinance other finance that has been provided for such a purpose) with the ability to obtain an equity release or consolidate debt with:

1. The ability to borrow up to 95% of the value of the property;
2. The stability of a fixed rate; and
3. The option of principal and interest or interest only repayments.

Whilst a fixed rate option limits the amount of additional repayments allowed and does not permit redraw, we have assessed this Product as being consistent with 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 budgeting and forecasting easier for the consumer.

Outside target market

Consumers outside the target market are consumers that:

1. Require a loan to finance the acquisition of property for construction purposes;
2. Are self-employed and cannot provide financials;
3. Have material adverse credit; and
4. Are seeking to borrow through a self-managed superannuation fund.

Product description and key attributes

1. 3 Years Fixed interest rate.
2. Redraw is unavailable on a fixed interest rate.
3. Minimum loan amount \$100,000.

4. Maximum loan amount \$2,000,000.
5. Maximum loan term 30 years.
6. Maximum Loan to Valuation Ratio (LVR) is 95%.
7. Lenders Mortgage Insurance applies if LVR is above 80%.
8. Repayment options:
 - a. principal and interest for owner occupied;
 - b. interest only for owner occupied to a maximum LVR of 80%; and
 - c. principal and interest and interest only for investment.
10. Repayment frequency for principal and interest repayments – weekly, fortnightly or monthly.
11. Repayment frequency for interest only – monthly.

Note that exceptions may be made to the above on a case by case basis.

2. Distribution channels and conditions

The Product can only be distributed by Us, directly to consumers (“Direct Channel”).

The distribution channel and conditions are appropriate because:

1. The Product has a wide target market;
 2. Our Direct Channel distributors have been adequately trained to understand their design and distribution obligations and are therefore able to assess whether a consumer falls within the target market; and
 3. Our application and approval process has controls in place to flag consumers who may be outside the target market.
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3. Review triggers

The following review triggers would reasonably suggest that the target market determination may no longer be appropriate:

1. A significant dealing of the Product to consumers outside the target market occurs;
 2. Material changes are made to the Product terms and conditions, other than changes to variable interest rates and consequential changes to repayments;
 3. A 30% increase in monthly complaint volume for the Product as compared to the average monthly complaint volume for the Product for the prior 6 months; and
 4. A 30% increase in the refinance rate within 6 months of settlement for the Product as compared to the average monthly refinance rate within 6 months of settlement for the Product for the prior 6 months.
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4. Review period

An initial review of this target market determination will occur within 12 months of the date of this target market determination. This target market determination is then to be reviewed at least every 12 months.

5. Information reporting

Table 5.1 below sets out the information which we require to be reported to us in respect of the Product by persons who engage in retail distribution conduct in respect of the Product. Unless otherwise stated, the first reporting period commences on the date this target market determination is made and each subsequent reporting period commences at the end of the prior reporting period.

Table 5.1

Information required to be reported	Who is required to report?	How frequently is a report required (reporting period)?	How will the report be made?
Significant dealing(s) (Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the target market determination))	General Manager - Product & Customer Experience for significant dealings identified by us in relation to the Product	As soon as practicable, and in any case within 10 business days after becoming aware	By email to the Head of Compliance & Enterprise Risk (compliance@resimac.com.au)
Material changes to the Product terms and conditions	General Manager - Product & Customer Experience	As soon as practicable	By email to the Head of Compliance & Enterprise Risk (compliance@resimac.com.au)
Each individual consumer complaint (details of the complaint, including name and contact details of complainant and substance of the complaint) for active loans of this type	Compliance & Enterprise Risk Analyst for complaints received by us in relation to the Product	As soon as practicable and within 10 business days of receipt of complaint	For the Compliance & Enterprise Risk Analyst, by email to the Head of Compliance & Enterprise Risk (compliance@resimac.com.au)
Consumer complaints information (number of complaints and general feedback relating to the Product and its performance) for active loans of this type	Compliance & Enterprise Risk Analyst for complaints received by us in relation to the Product	Quarterly	For the Compliance & Enterprise Risk Analyst, by email to the General Manager - Product & Customer Experience (Product@resimac.com.au)
Refinance rate within 6 months of settlement	General Manager - Product & Customer Experience	Monthly	By email to the Head of Compliance & Enterprise Risk (compliance@resimac.com.au)

6. Revision management

Date:	21 March 2022
Current version:	2.0
Approved by:	Jointly by: Chief Operating Officer; General Manager - Credit Risk & Asset Management; and General Manager - Product & Customer Experience.
Comments:	Target market determination made