

# Target market determination

<b>Product name:</b>	Bridging Loan (also known as "Lifestyle Bridging Loan", "Retirement Accommodation Loan" and "Secured Consumer Loan") ("Product")
<b>Issuer:</b>	Resimac Asset Finance Pty Ltd ACN 098 034 041 Australian Credit Licence 391809 of Level 9, 45 Clarence Street, Sydney NSW 2000 ("RAF", "we", "our" and "us")
<b>Reference documents:</b>	Terms & Conditions, Key Facts Sheet and Credit Guide
<b>Version:</b>	4.0
<b>Date made:</b>	22 September 2021
<b>Last reviewed:</b>	24 July 2023
<b>Ceased date:</b>	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 finance for personal use for (including but not limited to) the acquisition of real property, an independent living unit or a manufactured home estate (or refinance other finance that has been provided for such a purpose) and:

1. Require a fixed interest rate to provide certainty of repayments;
2. Can provide security by way of a first registered mortgage over real property;
3. Require a loan of between \$100,000 and \$1,750,000;
4. Wish to pay interest only during the term or all interest at the end of the term;
5. Have a clearly established event-based exit strategy (examples could include sale of existing assets/, refinance into a longer-term finance facility, significant expected inflow of funds etc.);
6. Are an Australian citizen currently living in Australia or a permanent Australian resident; and
7. Are 18 years or older at the time of application.

The Product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market because the Product enables consumers in the target market to obtain short-term bridging finance at a reasonable cost in return for providing security over real property. The Product also provides consumers with the flexibility of fixed interest or variable interest rates for the term of the loan.

### Outside the target market

Consumers will not be in the target market if they:

1. Would like to make principal and interest repayments;
2. Require a term of less than 3 months;
3. Require a term of more than 12 months; and
4. Have material adverse credit.

### Product description and key attributes

1. Fixed and variable rate.
2. Minimum loan amount \$100,000.
3. Maximum loan amount \$1,750,000.
4. Minimum loan term 3 months.
5. Maximum loan term 12 months.
6. Application and valuation fees are payable.
7. Legal fees are payable.
8. Establishment fee is payable.
9. Monthly account keeping fee is payable.

**We may approve exceptions to the above on a case by case basis.**

## 2. Distribution channels and conditions

The Product can only be distributed by accredited intermediaries.

The Product can be distributed by:

1. Us, directly to consumers ("Direct Channel");
2. Brokers, directly to consumers ("Broker Direct Channel"); and
3. Brokers, through aggregators, to consumers ("Broker Channel").

The distribution channels 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;
  3. We rely on existing distributors, methods, controls and supervision already in place;
  4. Our accreditation process has controls in place to flag introducers who do not have the required skills and training to distribute our Product in accordance with this target market determination; and
  5. 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;
  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. 30-day arrears rate for the Product is more than 3% higher than RAF's 30-day arrears rate for all loans regulated by the National Consumer Credit Protection Act 2009.
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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 every 12 months thereafter.

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## 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)).	Our Group Head of Compliance & Enterprise Risk 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 our Group Head of Compliance & Enterprise Risk ( <a href="mailto:compliance@resimac.com.au">compliance@resimac.com.au</a> ).
	Brokers for significant dealings identified by them in relation to the Product.		
	Aggregators for significant dealings identified by them in relation to the Product.		
Material changes to the Product terms and conditions.	Our General Manager - Product & Credit.	As soon as practicable.	By email to our Group Head of Compliance & Enterprise Risk ( <a href="mailto:compliance@resimac.com.au">compliance@resimac.com.au</a> ).
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.	Our Enterprise Risk & Disputes Resolution Manager for complaints received by us in relation to the Product.	As soon as practicable and within 10 business days of receipt of complaint.	For our Enterprise Risk & Disputes Resolution Manager, by email to our Group Head of Compliance & Enterprise Risk ( <a href="mailto:compliance@resimac.com.au">compliance@resimac.com.au</a> ).  For brokers and aggregators, by completing and submitting a complaint information form ( <a href="https://resimac.com.au/design-distribution-obligation-complaints">resimac.com.au/design-distribution-obligation-complaints</a> ).
	Brokers for complaints received by them in relation to the Product.		
	Aggregators for complaints received by them in relation to the Product.		
Consumer complaints information (number of complaints and general feedback relating to the Product and its performance) for active loans of this type.	Our Enterprise Risk & Disputes Resolution Manager for complaints received by us in relation to the Product.	Quarterly	For our Enterprise Risk & Disputes Resolution Manager, by email to our General Manager - Product & Credit ( <a href="mailto:product@resimac.com.au">product@resimac.com.au</a> ).  For brokers and aggregators, by responding to our quarterly email survey within 10 business days after receipt.
	Brokers for complaints received by them in relation to the Product.		
	Aggregators for complaints received by them in relation to the Product.		
30-day arrears rate for the Product.	Our Head of Credit & Operations - Asset Finance	Monthly	By email to our General Manager - Product & Credit ( <a href="mailto:product@resimac.com.au">product@resimac.com.au</a> ).

## 6. Revision management

<b>Date</b>	24 July 2023
<b>Current version:</b>	4.0
<b>Approved by:</b>	Jointly by: <ul style="list-style-type: none"> <li>• General Manager - Product &amp; Credit;</li> <li>• General Manager - Asset Finance; and</li> <li>• Head of Credit &amp; Operations - Asset Finance.</li> </ul>
<b>Comments:</b>	Target market determination made.