



## Target Market Determination for MyBond Money Unsecured Loan Product

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### Target Market

The class of consumers that is the target market for our product are consumers who:

- need amounts of between \$2,001 and \$5,000;
- need credit to pay:
  - a residential rental bond;
  - removalist and transport costs;
  - rent for the first week of a residential tenancy;
  - other costs which may arise when moving into new residential rental premises.
- want the funds quickly;
- want the application process to be simple, online, and quick;
- are interested in product term lengths no longer than 12 to 24 months;
- want the security of one monthly fee of \$15 and fixed interest charges;
- are assessed as being able to afford the repayments without hardship;
- want to make additional or increased repayments without penalty;
- want product terms that are clear and easy to understand;
- want ready access to customer services.

### Persons excluded from the Target Market

Consumers who do not meet our credit and eligibility criteria, including:

- are under 18 years of age;
- are not employed on a permanent or casual basis;
- have more than 50% of their income from Centrelink.
- are not a permanent resident of Australia.
- have a low credit score.

### Product Key Attributes

The key attributes of the product are:

- loan amounts ranging from \$2,001 to \$5,000.
- loan terms ranging from 12 to 24 months.
- fixed monthly charge of \$15
- interest charges fixed at a comparison rate of 47.83% per annum on a declining balance.
- a repayment frequency of monthly.
- transparent, legible, and easily understood contract, including financial table and loan terms.
- loans are unsecured and a guarantor is required.
- ready access to customer services and hardship policy.

## Critical Assessment of how the attributes of the product meet the needs of the Target Market

In making this TMD, a critical assessment must be made to determine how the product meets the needs of the target market.

Assessment Criteria	Assessment Outcome
Purpose	<p>The purpose of the product is to:</p> <ol style="list-style-type: none"> <li>1. provide loans residential rental bonds;</li> <li>2. pay outstanding balance to MyBond</li> <li>3. removalist and transport costs; and</li> <li>4. other costs which may arise when moving into new residential rental premises.</li> </ol>
Key Attributes related to the needs, objectives and financial situation of the Target Market	<p>The product key attributes benefit the customer in the target market because:</p> <ol style="list-style-type: none"> <li>1. the loan amounts are closely related to the amounts required by the target market consumers in their loan applications and communications with the consumers.</li> <li>2. the loan terms including interest and charges and term length are suitable for the consumers' needs, requirements and objectives and financial situation.</li> <li>3. the loan repayments are affordable for the consumer without hardship.</li> <li>4. the application process is online, and most are completed within minutes.</li> <li>5. the funds are available quickly after acceptance of the contract by the consumer.</li> <li>6. the contracts are legible and easy to understand, being only 15 pages long in 10 pt. font or larger.</li> <li>7. there is ready access to customer service.</li> <li>8. a fixed monthly fee is charged and interest.</li> <li>9. the loan terms match those for consumers in the target market.</li> <li>10. no security is required however a guarantor is.</li> </ol>
Will the product deliver what is promised in the future?	<p>The product term is only 12 to 24 months. The product does not change over the term of the loan. The product does deliver what is promised over its term.</p>
Does the product need a redesign?	<p>As at the last review, the product did not require redesign.</p>
Does the target market need to be narrowed?	<p>As at the last review, the product target market did not need to be narrowed.</p>

## Distribution Conditions

The following conditions apply to how the product is distributed.

Responsible Lending Obligations	The product will be distributed in compliance with all responsible lending obligations.
Voluntary Distribution Conditions	<p>The product will be distributed in compliance with the following voluntary distribution conditions:</p> <ul style="list-style-type: none"> <li>● no loans to any customer who does not meet our credit and eligibility criteria.</li> <li>● no loans to any customer who does not wish to pay via direct debit.</li> </ul>
Distribution Channels	<p>Distribution channels will all present the product appropriately to consumers in that they:</p> <ol style="list-style-type: none"> <li>1. do not contain any misleading or deceptive conduct.</li> <li>2. do not consist of any unsolicited offers of credit.</li> <li>3. contain all disclosures required by law.</li> <li>4. are, if distributed through any third party, regularly vetted to ensure the above.</li> <li>5. are, if required by law, the subject of written agreements with us.</li> </ol>

## Scheduled Periodic Reviews

We will conduct periodic reviews of this TMD on a quarterly basis. Our responsible manager will conduct all Design and Distribution Obligation (DDO) reviews and report the results of the review to our board of directors. The report must be provided to the board within two weeks of conducting a review and specify:

1. As to what, if any, trigger events have occurred.
2. Why, if known, that event has occurred and in particular if it is due to an external factor and not our product.
3. What, if any, action to take in order to ensure compliance with DDO:
  - No change if all is within the parameters published above; or
  - The product needs a redesign;
  - A new distribution condition is required; or
  - The product must cease to be offered

## **Other Review Triggers**

We will conduct further reviews upon predetermined trigger events. Our responsible manager will monitor for the trigger events on a monthly basis. We will review this TMD if the following trigger events occur in relation to this product:

1. One or more terms of the product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate.
2. If any external sources such as:
  - a) AFCA;
  - b) ASIC; and
  - c) Community based consumer organisations;

communicate to us that they have identified a systemic issue with our Product or if the number of complaints referred to AFCA or by community-based consumer organisations increases by 10% in a 3-month period.

3. The number of defaults as a percentage of loans increases by 10% in a 3-month period.
4. The number of complaints to our internal dispute resolution process from approved customers as a percentage of customers increases by 10% in a 3-month period.
5. The number of hardship applications as a percentage of number of customers increases by 10% in a 3-month period.

## **Significant Dealings**

If at any time, we detect that more than 5% of the customers receiving our product within a three (3) month period are not within our Target Market, we shall report this to ASIC as a Significant Dealing within ten (10) business days.