

Target Market Determination

For Residential SMSF Home Loan

Version: 1.2

1. About this document

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumer must refer to the terms and conditions and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

Product Issuer: Loanworks home loans are serviced by Sintex Consolidated Pt Ltd ABN 75 065 917 535 (AFSL and Australian Credit License 385129) on behalf of the credit provider Permanent Custodians Limited ACN 001 426 384

Terms and Conditions to which this target market determination applies

This TMD applies to the Residential SMSF Home Loan referred to in the following Terms and Conditions:

- Sintex Home Loan General Terms and Conditions (RMBS)

Date from which this target market determination is effective

1 May 2024

2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for Residential SMSF Home Loan, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

This Residential SMSF Home Loan has been designed for Self-Managed Superannuation Funds (SMSFs) whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). The Residential SMSF Home Loan is for SMSFs who are seeking an amount of credit for the purposes of:

- purchasing a property that will be for investment use
- paying out an existing loan against an investment property they already own



Product description and key attributes

The key eligibility requirements and product attributes of this Residential SMSF Home Loan are:

- Borrowing entity can be an individual or company as trustee for the SMSF Trust
- Mortgagor/Guarantor can be company as trustee for the Property Trust
- Guarantees required from all beneficiaries of the SMSF
- Individual Guarantors must be minimum age of 18 years
- Minimum Loan amount of \$100,000
- Maximum Loan amount of \$1,000,000
- Maximum LVR of 80%
- Up to 30-year loan term
- Repayments can be either Principal & Interest, or Interest Only for up to 5 years then reverting to Principal & Interest repayments (further 5-year Interest Only periods may be available on application)
- Variable rate, 1 to 5 year Fixed rate Options or a combination of both variable and fixed available
- Weekly, Fortnightly or Monthly Repayment Frequency (Interest Only loans must be paid monthly)
- Unlimited Additional Repayments for Variable Rate Loans

Objectives, financial situation, and needs

This product has been designed for SMSFs who:

- Are looking to obtain credit against existing residential property
- Are able to meet minimum servicing requirements
- Are able to meet minimum deposit requirements for purchases
- Are not in arrears if refinancing

Excluded class of consumers

This product has not been designed for borrowers who:

- Are not SMSFs

Consistency between target market and the product

We have assessed that the key terms, features and attributes of the product are likely to be suitable for SMSFs within the target market.



3. How this product is to be distributed

Distribution channels

This product is designed to be distributed through the following means:

- Accredited Mortgage Managers
- Accredited Brokers who hold an ACL
- Authorised Credit representatives

Distribution conditions

This product should only be distributed under the following circumstances:

- to SMSFs that meet eligibility requirements
- to SMSFs that have the appropriate borrowing capacity
- by third party distributors authorised by us to distribute the products

Adequacy of distribution conditions and restrictions

We have assessed that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards SMSFs in the target market because all distributors are legally required to meet a higher standard than the 'reasonable steps' obligation under DDO, by making an assessment that the product is in the best interests of the borrower.

4. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	Within the 12 months of the effective date.
Periodic reviews	At least every three years from the initial review.
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • the occurrence of a significant dealing; • where distribution conditions are found to be inadequate; • greater than 5 complaints regarding the product or its distribution in any given month; • a greater than 3% increase in total arrears for any given month; • a greater than 3% increase in total hardships for any given month; • there are significant regulatory changes; • significant change to our risk appetite; and • the occurrence of external events such as adverse media coverage or regulatory attention in relation to the product, where it suggests that the target market for the product may not be appropriate.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.



5. Reporting and monitoring this target market determination

We will need to collect the following information from our distributors in relation to this TMD.

<p>Individual Customer Complaints</p>	<p>Distributors will need to report to us within 10 business days of becoming aware of a customer complaint in relation to the product. This can be done via an email to compliance@loanworks.com.au . The following details will need to be provided:</p> <ul style="list-style-type: none"> • the date of the complaint; • details of the complaint, including name and contact details of complainant and reason for complaint:
<p>Consumer Complaints</p>	<p>Distributors will report all complaints in relation to the product(s) covered by this TMD on a quarterly basis. The report will include:</p> <ul style="list-style-type: none"> • the number of complaints, even if it is zero; • the nature of the complaints received • other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 internal dispute resolution. <p>The reports need to be received within 10 business days of the end of the reporting period.</p> <p>Reporting period end dates are as follows:</p> <ul style="list-style-type: none"> • 31 March • 30 June • 30 September • 31 December
<p>Significant dealings</p>	<p>Distributors will need to report to us within 10 business days of becoming aware of a significant dealing in relation to the product. This can be done via an email to compliance@loanworks.com.au . The following details will need to be provided:</p> <ul style="list-style-type: none"> • the date or the date range which the dealing occurred; • a description of the dealing; • an explanation of why the dealing is considered significant; • an explanation of why the dealing is considered to be inconsistent with the TMD; • how the dealing was identified (e.g., through monitoring, complaints etc); and • what steps have been or will be taken in relation to the significant dealing.



6. Document Control

Version	Start Date	Comments
1.0	05/10/2021	Determination commenced as a result of the new DDO.
1.1	10/11/2023	Product issuer clarified Class of Consumers updated Updates to loan purpose Needs and objectives reviewed Reporting timeframe updated from yearly to quarterly Updates to reporting requirements
1.2	01/05/2024	Update of borrowing entity to include individual trustees Increase of maximum loan amount Update of repayment options to include Interest Only Updates to Objectives, financial situation, and needs Update to Excluded Class of Consumers

