

RedZed Refresh Residential Home Loan Product

This Target Market Determination (“TMD”) is intended to provide customers and distributors with information about who this product has been designed for and other matters relevant to the product’s distribution and review.

This TMD is not to be treated as a full summary of the product’s terms and conditions and is not intended to provide financial advice. Consumers should refer to the product terms and conditions when making a decision about this product.

Target Market Consumer

This product is intended for consumers who:

- Are 18 years of age and over;
- Want to borrow money and secure the product against residential property;
- Are Australian citizens or Australian permanent residency visa holders;
- Are primarily self-employed or employed;
- Are seeking a product to assist with:
 - The purchase an owner-occupied property,
 - The purchase of an investment property (an interest rate loading may be applicable for this type of security property), or
 - Accessing equity in a property for an approved purpose;
- Can demonstrate that they can meet product repayment obligations, including fees and charges and interest, as they fall due;
- Will provide satisfactory residential property to be held as registered 1st mortgage security;
- Have a credit history with some impairment history, including:
 - Default amounts < \$1000,
 - Defaults registered > 2 years,
 - Up to 5 defaults > \$1000 and registered < 2 years,
 - Late mortgage repayments > 2 full repayments,
 - Unsecured credit facilities with late repayments may be permitted; or
 - Have been discharged from bankruptcy > 2 years and/or discharged from a Part IX or X agreement > 1 day
- Can provide the required deposit or contribution required to meet the purchase requirements (if relevant); and
- Otherwise meet regulatory requirements and lending criteria.

Consumers Outside Target Market

This product is not intended for consumers who:

- Are self-managed superannuation fund borrowers;
- Require a Construction Loan;
- Require a loan to finance the acquisition of a security property that is non residential or a property financed by the National Rental Assistance Scheme or under a Rent to Buy agreement;
- Offer a second mortgage as RedZed’s primary security;
- Require a fixed rate loan;
- Wish to prepay their interest in advance;
- Require internet transfer capability, ATM access or a loan offset facility;
- Require a loan term less than 15 years or greater than 30 years; or
- Requiring a Line of Credit or Evergreen credit facility.

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Key product attributes of the RedZed Refresh Residential Product include:

- A variable interest rate only;
- Maximum product amount of \$750,000;
- Redraw facility available subject to the terms and conditions within the Loan Contract;
- Principal and Interests repayment, or Interest Only repayment options may be allowed for a period of up to 5 years, subject to a lending assessment;
- Repayment frequency options for principal and interest repayments include Monthly, Fortnightly or Weekly;
- Repayment frequency for Interest Only is monthly;
- Offset Sub-Account (optional) available subject to the terms and conditions within the Loan Contract;
- Additional or lump sum repayments permitted;
- Ability to finance loan related fees or charges onto the loan amount (subject to a limit defined by RedZed e.g. maximum total product amount or Loan to Valuation ratio.);
- Minimum term for repayment of 15 years;
- Maximum term for repayment of 30 years;
- Acceptable Security property (maximum loan size restrictions may apply); and
- Interest, fees and charges apply.

Note that exceptions may be made to the above at the discretion of RedZed on a case by case basis.

This product is considered a rate for risk product. The interest rate, fees and charges applicable, maximum loan term, loan size and Loan to Valuation ratio will depend on various factors at the time of application. These factors may include the location and type of property held as security, employment history and activity, income verification method, and/or credit history.

Distribution of this product

This product is designed to be distributed to consumers through the following distribution channels:

- RedZed direct origination by a customer calling the RedZed contact centre on **1300 722 462** or any of its staff directly or by contacting RedZed via the RedZed website by visiting www.redzed.com (where available); and
- RedZed accredited referrers, independent mortgage brokers and/or white label pursuant specific agreements.

These distribution channels are authorised to distribute this product as they are appropriately trained and licensed (where required) to ensure that the product is distributed to consumers in our target market.

The distribution channels are appropriate because:

- The product has a wide target market;
- Accredited referrers and mortgage brokers are subject to licence and legislative requirements to ensure that the product is in the best interests of the particular consumer;
- RedZed has controls in its application, assessment and approval process to ensure all approved consumers meet eligibility and lending requirements; and
- RedZed conducts ongoing due diligence and monitoring of distributors

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Reviewing this document

This TMD will be reviewed within 12 months from the effective date, and at least annually thereafter.

This TMD will also be reviewed if any event or circumstances (“Review Triggers”) occur that would reasonably suggest that this determination is no longer appropriate, such as:

- A material change to the product, or the terms and conditions of the product;
- There is a material change in the risk assessment criteria that impacts on the suitability of the product for the target market;
- There is a material change to the distribution of the product;
- The discovery of a relevant and material deficiency in the product’s disclosure documentation;
- Systemic complaints (raised either directly or indirectly via distributors) which indicate that the product is no longer suitable for the described target market;
- A significant dealing of the product to consumers outside the target market occurs;
- Material changes to the regulatory environment or relevant legislation; or
- A regulator making relevant orders (e.g. under the product intervention regime) in relation to the distribution of this product.

A review of this determination will occur within 10 business days of becoming aware of a Review Trigger.

Monitoring

Complaints: RedZed and all distributors will record all complaints received about this product at a minimum 6 monthly (Complaints Reporting Period). Distributors are required to provide to RedZed written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

Significant Dealings: Distributors are also required to report to RedZed if they become aware of significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing.

Distributors should provide all reporting within the reporting time frame periods to ddoreporting@redzed.com

Consumers with complaints about the product can direct these to their Redzed Distributor, or directly to RedZed using the electronic complaint form found on our website at <https://redzed.com/tmd/> or via email to ddoreporting@redzed.com