

Target Market Determination

Basic Home Loan



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Product

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414 – Basic Home Loan Variable Rate

415 – Basic Home Loan Fixed Rate

416 – Basic Home Loan Variable Interest Only (12 month construction only)

417 – Basic Home Loan Fixed Interest Only (12 month construction only)

Issuer

Bank Australia Limited | ABN 21 087 651 607 | AFSL/
Australian Credit Licence Number 238431

Date of TMD

5 Oct 2021

Target market

Description of target market

Retail clients who:

- are seeking a loan to:
 - build, purchase or renovate a home;
 - refinance an existing home loan; or
 - top up an existing loan for any worthwhile purpose
- are aged 18 years or more and meet the credit assessment criteria for the product
- are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan
- do not need an offset account

For 414:

- need the flexibility to make additional repayments
- need to make regular repayments of interest and principal over the term of the loan
- need the facility to redraw advance repayments

For 415:

- need the certainty of a fixed interest rate and fixed repayments for a nominated term of 1, 2, 3, or 5 years
- need to make regular repayments of interest and principal over the term of the loan
- need the facility to redraw advance repayments

For 416:

- are seeking an interest only option while constructing (12 month maximum term)

For 417:

- need the certainty of a fixed interest rate
- are seeking an interest only option while constructing (12 month maximum term)

Description of product, including key attributes

This is a Basic Home Loan (Principal and interest) secured over real property. The key attributes are

- Minimum Loan Amount of \$10,000
- Loan terms of up to:
 - Principal and Interest: 30 years*
- Repayment type: Principal and Interest
- Interest rate is Variable or Fixed
- Repayment frequency can be weekly, fortnightly or monthly
- Additional repayments accepted (Maximum of \$20,000 per year during a fixed term)
- Redraw is available for Fixed and Variable, but not during an interest only period
- Split loan between variable and fixed is available
- Progressive drawdown is available for construction
- Must provide a registered first mortgage over real property or other acceptable security
- An interest only option (12 months only) during a construction period
- Establishment fees apply.
- Refer to the loan fee schedule for a full list of applicable fees

For 416 and 417:

- Interest only is only available for a construction period of up to 12 months

For further information refer to Disclosures <https://www.bankaustralia.com.au/> for:

- Product terms and conditions
- Product fees and rates

* ACT Land Rent Scheme is capped at 25 years

Distribution conditions

This product is distributed by the issuer through the following channels:

- Branches
- Call centre
- Online
- Brokers

Distribution conditions for this product include:

- ensuring that retail clients meet the eligibility requirements for the product
- ensuring that distribution is by appropriately trained staff
- online distribution set-up guides applicant to select right loan for their needs
- Mortgage Brokers must hold an accreditation with Bank Australia

There are no other distributors for this product.

Review triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- a significant dealing of the product to consumers outside the target market occurs
- a significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate
- a material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate

The *Product Governance Framework* includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG 274.

Review periods

First review date: 5 Oct 2022

Periodic reviews: Annually

Distribution information reporting requirements

The following information must be provided to Bank Australia by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
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 TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Complaints	Number of complaints	Monthly
Sales outside the target market – Purpose Code	Number of sales \$ value of sales	Monthly
Sales inside the target market – Purpose Code	Number of sales \$ value of sales	Monthly