

# **Target Market Determination**

Premium Investment Loan

Package Interest Only



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## Premium Investment Loan Package Interest Only

### Product

#### Premium Investment Loan Package Interest Only

496 – Premium Investment Home Loan Package Variable Interest Only

497 – Premium Investment Home Loan Package Fixed Interest 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 an investment property;
  - refinance an investment 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
- need an interest only period for tax planning reasons
- do not need the facility to redraw advance repayments
- are seeking an offset account, discounted insurance and a fee free Platinum Rewards Credit Card, even if that means higher interest or fees on the loan
- need the flexibility to make additional repayments

For 497:

- need the certainty of a fixed interest rate and fixed repayments for a selected term (1, 2, 3 or 5 years)



## Description of product, including key attributes

This is a Premium Investment Home Loan Package Interest only secured over real property. The key attributes are:

- Minimum loan amount: \$10,000
- Loan terms of 1, 2, 3 and 5 years where the LVR is <80%
- Interest Only repayments
- Interest rate can be variable or fixed
- Repayment frequency is Monthly
- Additional repayments accepted (Maximum of \$20,000 per year during a fixed term)
- Fees: annual package fee, discharge fee, variation fee (refer to Loan Fee Schedule)
- Progressive drawdown is available for construction
- Offset is available
- Split loan between variable and fixed is available
- \$0 annual fee on Platinum Visa for life of the home loan with 12 month zero interest on balance transfers (external debt only)
- Free offset & transactional banking
- \$0 establishment fee for personal loans and home loan top-ups
- 10% discount on general insurance products
- Free progress inspections for construction loans
- Must provide a registered first mortgage over real property or other acceptable security

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

- Product terms and conditions
- Product fees and rates

## 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 <b>outside</b> the target market – Purpose Code	Number of sales \$ value of sales	Monthly
Sales <b>inside</b> the target market – Purpose Code	Number of sales \$ value of sales	Monthly