

Target Market Determination

Premium Package Home Loan



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Product

Premium Home Loan Package

490 – Premium Home Loan Package Variable

491 – Premium Home Loan Package Fixed

492 – Premium Home Loan Package Variable Interest Only

493 – Premium Home Loan Package Fixed Interest Only

498 – Package Interest Only Construction Variable Rate

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
- 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

For 490:

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

For 491:

- need the certainty of a fixed interest rate and fixed repayments for a selected period of time (1,2,3 or 5 years)
- need the flexibility to make additional repayments (There is no limit or cap on additional repayments or redraw)
- need the facility to redraw advance repayments

For 492:

- need to make regular repayments of interest and principal over the term of the loan
- do not need the facility to redraw advance repayments

For 493:

- need the certainty of a fixed interest rate and fixed repayments for a selected period of time (1,2,3 or 5 years)
- need an interest only period for tax planning reasons
- do not need the facility to redraw advance repayments

For 498:

- need the option of interest only while constructing or for 12 months (whichever happens sooner)
- does not need the facility to redraw advance repayments whilst interest only

Description of product, including key attributes

This is a Premium Home Loan Package secured over real property.

The key attributes are:

- Minimum Loan amount \$10,000
- Maximum loan term:
 - Principal and Interest: 30 years*
 - Interest Only Construction: 12 months (then reverts to Principal and Interest for remaining term up to 29 years)
- Repayment type: Principal and Interest, Interest Only for construction period only (max term 12 months)
- Interest rate variable, fixed or split
- Repayment frequency can be weekly, fortnightly or monthly while principal and interest, or monthly only while interest only
- Additional repayments accepted (Maximum of \$20,000 per year during a fixed term)
- A redraw facility is available
- A mortgage offset account is available
- Must provide a registered first mortgage over real property or other acceptable security
- An annual fee applies

* ACT Land Rent Scheme is capped at 25 years

- Other fees may apply, please refer to the fee schedule
- Package benefits include free, unlimited offset accounts, discounted general insurance products and \$0 annual fee on Platinum Visa for life of the home loan with 12 month zero interest on balance transfers (external debt only)
- 492 – Premium Home Loan Package Interest Only and 493 – Premium Home Loan Package Fixed Interest Only, are only distributed as an exception and only in the case of hardship

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 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