

Target Market Determination

Premium Investment Loan Package Principal and Interest



Target Market Determination

Premium Investment Loan Package

Principal and Interest

Product

Premium Investment Loan Package Principal and Interest

494 – Premium Investment Home Loan Package Variable Rate

495 – Premium Investment Home Loan Package Fixed Rate

499 – Package Investment IO 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 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 to make regular repayments of interest and principal over the term of 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 494:

- need the flexibility to make additional repayments
- need the facility to redraw advance repayments

For 495:

- need the certainty of a fixed interest rate and fixed repayments for the desired fixed term of 1, 2, 3 or 5 years.
- need the facility to redraw advance repayments

For 499:

- 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 Investment Home Loan (principal and Interest) 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
- 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)

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