

# **Target Market Determination**

## Clean Energy Home Loan



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### Product

#### Clean Energy Home Loan

401 – Clean energy home loan variable

402 – Clean energy home loan fixed

406 – Clean energy home loan fixed interest only for construction (12 months)

### 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

for own occupation that has a minimum NatHERS rated 7 Star

- 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
- complete upgrades within the 12 months prior to applying for the Clean Energy Home Loan discount. The property must have completed at least three upgrades from the Bank Australia upgrade list or have improved its rating on the Residential Efficiency Scorecard (an increase of at least 1 star excluding the impact of solar) Refer <https://www.bankaustralia.com.au/personal/borrow/home-loans/clean-energy-home-loan>
- are seeking an offset account, discounted insurance and the annual fee waived on a Platinum Rewards Credit Card, even if that means higher interest or fees on the loan



For 401:

- 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 402:

- need the certainty of a fixed interest rate and fixed repayments for 3 years
- need to make regular repayments of interest and principal over the term of the loan
- need the flexibility to make additional repayments (capped at \$20,000 pa)
- need the facility to redraw advance repayments

For 406:

- need an interest only period so as to complete the construction of a home before commencing principal and interest reductions
- do not need the facility to redraw advance repayments

### **Description of product, including key attributes**

This is a Clean Energy Home Loan 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 (construction only)
- Additional repayments accepted (Maximum of \$20,000 per year during a fixed term)
- Redraw is available on Principal and Interest (not available for Interest Only)
- Fees: annual package fee, discharge fee, variation fee (refer to Loan Fee Schedule)
- Interest rate: variable or fixed (3 year)
- Progressive drawdown is available for construction
- Offset is available
- 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

\* 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 <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