

Target Market Determination

Line of Credit (Investment)



Start Date: 1st October 2024

Date the determination was made

Version: 3.0

1 Product Information

Product:

Line of Credit (Investment)

A continuing credit facility used for investment purposes that is secured against residential property.

Product Options:

The options available for the product

L15INV Line of Credit (Investment)

Associated Products:

The other facilities included with the product and covered by this determination

BPAY

A non-cash payment facility used to make payment using funds available in the facility on a platform operated by BPAY.

Direct Debit

A non-cash payment facility used to make payment to third party merchants using funds available in the facility.

Electronic Payment

A non-cash payment facility used to make payment to another Auswide account or an account at another financial institution using funds available in the facility.

Bank Cheque

A non-cash payment facility used to make payment to a specified payee or bearer.

Visa Debit Card

A non-cash payment facility used to make purchases, transfers and cash withdrawals through Visa Debit functionality or EFTPOS functionality using the card issued with the product.

RTGS

A non-cash payment facility used to make a same day payment to an account at another financial institution using funds available in the facility.

Telegraphic Transfer

A non-cash payment facility used to make payment to a nominated overseas bank account using funds available in the facility on a platform operated by Auswide's service provider.

Auto-Sweep Facility

A pre-approved automatic transfer of funds between nominated Auswide accounts where the account does not have sufficient clear funds to be debited for a direct debit, external payment or cheque written.

Target Market Determination

Line of Credit (Investment)



2 | Target Market

Target Market:

Class of consumers that comprise the target market for the product

Consumer**Description:**

This describes consumers in the target market

Objectives & Needs

A person who may require a continuing line of credit secured against the equity in residential property that is used predominately for investment purposes.

Financial Situation

A person or entity who:

- at the time of application, owns or seeks to purchase a residential property that is used predominately for investment purposes, that can be used to secure the credit facility; or
- who may seek to purchase a residential property or refinance and existing credit facility for investment purposes; and
- will have financial capacity to pay fees, interest and repayments as and when such amounts become payable and due.

Product Description:

This describes the product

A variable rate credit facility with the following key attributes:

- the ability to access continuing credit over an extended period of time;
- a continuing credit facility secured by an approved residential property that is used for investment purposes;
- variable interest rate charged monthly on the daily debit balance (and no interest paid on credit balances);
- multiple access accounts under the facility to manage separate borrowings;
- no minimum opening balance or balance to be maintained; and
- ability for issuer to terminate facility with notice and demand payment of outstanding balance.

In general, it is only available to consumers that meet standard eligibility criteria.

Appropriateness Statement:

This explains why the product is consistent with the likely objectives, financial situation and needs of the target market

The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of consumers in the target market as described in this determination.

3 | Distribution

Distribution Conditions:

The conditions and restrictions on the distribution of the product

Marketing and Promotions

This condition applies to marketing and promotional materials that describe the product

Retail Product Distribution Conduct (other than Marketing and Promotions)

This condition applies to all conduct (other than marketing and promotions) such as issuing, arranging and providing disclosure material

Condition 1

A distributor must only market and promote the product through:

- advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;
- in person recommendations to access marketing material (including in branch communications and through broker networks) to retail investors; and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is retail investors.

Condition 2

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) through:

- in person communications (including in branch and through mobile lenders and through broker and referrer networks);
- through the issuer's and other approved third party digital platforms; and
- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is retail property investors. It is also appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.

Condition 3

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) if it has identified the key difference between:

- the product; and
- the other credit products issued by the issuer.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

Condition 4

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) if it has identified that the consumer is an Auswide Bank borrower with a line of credit facility.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

Target Market Determination Line of Credit (Investment)

4 | Review

Review Date:

The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.

Review Triggers:

The events and circumstances that would reasonably suggest the determination is no longer appropriate

The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:

Material Complaints	material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.
Financial Difficulty	a significant number of customers experiencing financial difficulty, of which the issuer becomes aware, related directly to the appropriateness of the loan, which the issuer determines may relate to the appropriateness of the determination.
Product Performance	evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.
Distributor Feedback	reporting from distributors, or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.
Substantial Product Change	a substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.
Significant Dealing	a material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.
Notification from ASIC	a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.

Reporting Information:

The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period

A distributor that engages in retail product distribution conduct in respect of this product must provide the following information in writing to the issuer within the times specified below:

Complaint Information	<p>Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
------------------------------	---

Target Market Determination

Line of Credit (Investment)

Financial Difficulty	<p>Information about customers experiencing financial difficulty related directly to the unsuitability of the product of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
Distributor Feedback	<p>Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
Significant Dealing	<p>Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.</p>
Information Requested by Issuer	<p>Information reasonably requested by the issuer.</p> <p>The distributor must provide the information by the date requested by the issuer.</p>

Reporting Period:

The reporting period for this determination is every 3 months commencing from the Start Date.

Notes:

Other information relevant to the distribution of the product

Nil

5 Document Control

Version	Start Date	Comments
1.0	5 th October 2021	Determination commenced as a result of the new DDO Regime.
2.0	1 st October 2023	Changed 'Cheque' to 'Bank Cheque' in associated products as Cheque Books are no longer an access method for this product.
3.0	1 st October 2024	Updated description of associated product 'Visa Debit Card' to include transfers.