

## Target Market Determination

**Product Name:**  
Essentials Home Loan - Owner  
Occupied

**Product Code:**  
828

**Product Description:** A fully featured owner occupied home loan.

**Date Published:** 2 October 2021

**Version:** 1

**Effective From:** 5 October 2021

**Issuer Details:** **Defence Bank Limited**  
ABN 57 087 651 385 AFSL/Australian Credit Licence 234582  
PO Box 14537  
Melbourne VIC 8001

## 1. Target Market

### Details

This product is designed for members who:

- Are seeking to :
  - purchase, construct or renovate a home
  - refinance an existing home
  - top up an existing loan for any worthwhile purpose
- Are aged 18 years or more and meet the credit assessment criteria for a home loan
- Are willing and able to offer a first or second registered mortgage over real property as security for the loan
- Do need a mortgage offset account

## 2. Key Attributes

### Key Attribute Details

- Key attributes of this product include:
  - Loan amounts between \$100,000 and \$5,000,0000
- Flexible loan terms up to 30 years
- Variable and fixed interest options available
  - variable rate loans for borrowers who would like the flexibility to make additional repayments
  - fixed rate loans for borrowers who need the certainty of a fixed interest rate and fixed repayments for a fixed period of time
- Repayment Options – You can repay your loan via payroll deduction, automatic transfer, direct deposit/entry, NPP/OSKO, and online or mobile banking. Repayments can be made weekly, fortnightly or monthly

- Redraw – You can save interest by paying loan instalments in advance of contracted repayments and redraw loan repayments in advance online or in Branch, giving you flexibility to access funds when required. (not available during fixed interest rate periods)
- Borrow up to 95% of the value of your property (up to 98% where your loan is secured by a government guarantee issued under the First Home Loans Deposit Scheme - Family Homes Guarantee.)

Where your loan represents more than 80% of the value of the property being used as security you will need:

- Lenders Mortgage Insurance  
or
  - A government guarantee issued under the First Home Loans Deposit Scheme, New Homes Guarantee or Family Homes Guarantee
- The ability to make additional repayments on both variable and fixed interest rate loans
  - Interest is calculated on the daily balance of your loan and debited at the end of each month, to ensure that you gain the maximum benefit from all deposits
  - Split Loan options – a split loan allows you to have a fixed interest rate and a variable interest rate on different portions of your loan
  - Mortgage Offset – a mortgage offset account is a savings account linked to your home loan (not available during fixed interest periods)
  - Loan Portability – Allows you to transfer your outstanding mortgage balance to from one security property to another
  - Current interest rates, fees and charges are available on request or can be obtained by visiting [defencebank.com.au](http://defencebank.com.au)
  - Government charges including Stamp Duty, Registration, Discharge & Transfer fees may be payable
  - A break cost fee maybe payable where a loan is paid out or switched to a variable interest rate before expiry of any period when interest rate is fixed on any portion of loan
  - Compatible with Defence Home Ownership Assistance Scheme (DHOAS).  
- DHOAS loans must be secured by registered first mortgage
  - Compatible with First Home Loans Deposit Scheme, New Homes Guarantee and Family Home Guarantee
  - Principal and Interest Reducing - Regular repayments of principal and interest over the term of the loan
  - Up front loans costs including, Loan settlement fee, Valuations fee and Solicitors costs may be payable
  - Interest Only repayments during a construction phase (maximum 12 months) reverting to Principle & Interest repayments thereafter
  - Fixed interest periods from 1 to 5 years

### 3. Distribution Conditions and Restrictions

#### Details

This home loan is distributed by Defence Bank through the following channels:

- Branches
- Mobile lenders
- Call Centre
- Online

Distribution conditions for this home loan include:

- Ensuring that retail clients meet credit assessment and eligibility requirements for the product.
- Ensuring that distribution through branches, mobile lenders and the contact centre is by appropriately trained staff
- Ensuring applications received Online are processed by appropriately trained staff.

### 4. Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate are:

Details	Required data points	Threshold
A significant number of complaints is received from members in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate	Complaints reporting	Three complaints per quarter in favour of the member
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	Notification of proposed material change/s to key product design, key attributes and or fees	As material changes are made.
A significant dealing of the product to retail clients outside the target market occurs	Product reporting	10% of members

## 5. Review Frequencies

### Initial Review

30 August 2022

### Subsequent Reviews

Annually

## 6. Distributor Information

The following information must be reviewed in relation to distribution of this product:

Information type	Details	Reporting period
Significant dealings	Date or date range of significant dealing/s and description of the significant dealing/s (for example why the dealing is not consistent with the TMD)	as soon as practicable
Complaints	Number of Complaints	quarterly
Sales outside the target market	The number and \$value of sales	quarterly
Sales inside the target market	The number and \$value of sales	quarterly