

Target Market Determination

Product Name:
Premier Low Rate Home Loan - Owner
Occupied

Product Code:
843

Product Description: A low-rate option 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 or refinance an existing owner occupied home
- 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 not need a mortgage offset account

2. Key Attributes

Key Attribute Details

Key attributes of this product include:

- Loan amounts between \$250,000 and \$5,000,0000
- Flexible loan terms up to 30 years.
- Variable interest rate options only suitable for borrowers who would like the flexibility to make additional repayments
- 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.

- Borrow you up to 90% of the value of your property
Where your loan represents more than 80% of the value of the property being used as security you will be required to have either:
 - Lenders Mortgage Insurance (LMI) is payable in the form of a once only premium at settlement. LMI protects the Lender against loss in the event of non-payment and subsequent sale of the security property, where the proceeds of the sale are not sufficient to fully repay the loan. In these circumstances the shortfall is repayable by the Mortgage Insurer, who would then in turn look to the borrowing member/s to recover these monies.;
 - or
 - A government guarantee issued under the First Home Loans Deposit Scheme, New Homes Guarantee or Family Home Guarantee)
- The ability to make additional repayments
- 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
- Current interest rates, fees and charges are available on request or can be obtained by visiting defencebank.com.au
- Government charges including Stamp Duty, Registration, Discharge & Transfer fees may be payable
- 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
- No up front loans costs including, Loan settlement fee, Valuations fee and Solicitors costs are payable

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

29 September 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