

# Target Market Determination (TMD)

## For Personal Loan

Effective from 5 October 2021

### About this document

This TMD applies to the Personal Loan issued by Newcastle Permanent Building Society (ACN 087 651 992, AFSL/Australian Credit Licence 238273) (the **Issuer**).

The purpose of this TMD is to describe who a product is appropriate for (the target market), and any conditions around how the product can be distributed to customers.

This TMD is not intended to provide any financial product advice, and does not take into account any individual customer's objectives, financial situation or needs. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD does not replace the Terms and Conditions applicable to this product. Before deciding to acquire a product from Newcastle Permanent, you should consider the relevant Terms and Conditions, which are available from [newcastlepermanent.com.au/terms-and-conditions](http://newcastlepermanent.com.au/terms-and-conditions), at any branch or by calling 13 19 87.

### Who is this product suitable for?

The Personal Loan is available for the following loan purposes:

- **Personal Loan:** Finance for personal purposes or to consolidate personal debt, from \$1,000, up to \$50,000 (depending on the applicant's circumstances); or
- **Car Loan:** Finance for purchasing a motor vehicle, from \$1,000, up to \$50,000.

### The Personal Loan (including Car Loan) is designed for customers who:

- Seek a competitive fixed interest rate, with no cap or penalty on additional repayments to pay off their loan faster
- Want the certainty of repayments staying the same for a fixed term they select (from 1 to 7 years)
- Value the flexibility to choose a repayment frequency (weekly, fortnightly or monthly) that suits them
- Who can afford or qualify for the waiver of, the \$250 application fee
- Seek no ongoing account keeping fee to minimise their costs

### The loan offers the following security options:

- **Secured:** Customer seeking to use a Newcastle Permanent Term Deposit or motor vehicle as security against the loan, allowing them to obtain a lower interest rate.
- **Partially Secured:** Customers seeking the ability to use a Newcastle Permanent Term Deposit or motor vehicle as partial security against the loan.
- **Unsecured:** Customers unwilling or unable to use an appropriate asset as security.

**Borrowers must:**

- Be 18 years of age or over
- Be permanent residents of Australia or New Zealand
- Have a demonstrated ability to afford loan repayments

This product is likely to be consistent with the objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the product and a determination that these are consistent with the identified class of consumers.

**The Personal Loan is generally not suitable for customers who:**

- Value the flexibility to access funds when they need it via redraw or increasing their loan limit
- Would be extremely dissatisfied if market interest rates reduced after they locked in a fixed interest rate
- Cannot demonstrate an ability to afford loan repayments without financial hardship
- Seek a loan for business/commercial purposes.

**How is this product distributed?**

This product is designed to be distributed through:

- Newcastle Permanent Lenders (in person, via phone or video conferencing)

**What conditions or restrictions are there on the distribution of this product?**

This product is designed to be distributed by Newcastle Permanent's internally accredited lenders who are aware of the product and its attributes.

Distribution of this product by staff is to follow from a conversation with the customer on their lending needs, and whether these appear to be met by the product's key attributes. In addition, the application questions collect customer financial details and the customer must provide proof of income.

Potential customers may also be referred to the website via links from third-party comparison websites that Newcastle Permanent has partnered with. These customers are able to apply for the product in the same manner as described above (i.e. no different distribution conditions apply).

Newcastle Permanent has assessed the distribution conditions and restrictions will make it likely customers acquiring the product are in the target market. Newcastle Permanent has considered the distribution conditions and restrictions are appropriate and will facilitate distribution of the product to be directed towards the class of customer for whom the product has been designed.

**What monitoring will be undertaken on this product?**

This product is not distributed by any entity other than Newcastle Permanent.

This product will be subject to internal reporting and monitoring on:

- Sales performance and TMD adherence on a monthly basis,
- Customer complaints and remediation, on a monthly basis,
- Staff feedback, either ad hoc or via internal forums and surveys,
- Product portfolio and performance measures such as account closure patterns, on a monthly and quarterly basis, and,
- Incidents, on a monthly basis

### **How will Newcastle Permanent review this document?**

Newcastle Permanent will review this document at a minimum of once every two years from the effective date to ensure it remains appropriate, or earlier as required or if other circumstances occur which trigger the need to review the TMD.

The specific review triggers (events that reasonably suggest the TMD may no longer be appropriate) for the Personal Loan that may result in an earlier review of the TMD are:

- Any distribution or sales activity, outside the TMD or to ineligible customers, that meets the definition of a significant dealing,
- A material change in the nature and number of customer complaints and underlying complaint trends,
- Regulatory change that materially impacts the manufacture or sale of this product, and
- Material customer remediation events and incidents in relation to this product.