



Target Market Determination

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth). It sets out the target market for the product, triggers to review the target market for this product and certain other information. It forms part of Mortgageport's product governance framework for the product. This document is not a Product Disclosure Statement (PDS) and is not a summary of the product features or terms of the product. This TMD does not consider any person's individual objectives, financial situation or needs.

Product Name	Standard Fixed Rate Product
Product Type	Home Loan
Issuer	Mortgageport Home Loans Pty Limited ABN 53 611 380 708 ACL 386360
Manager	Mortgageport Management Pty Ltd
Reference Documents	Terms and Conditions, Credit Guide, Product sheet
Made by	Mortgageport Home Loans Pty Ltd
Version	1.0
Date Made	22 September 2021
Last Reviewed	N/A
Ceased Date	in use

1. Target Market

The retail clients for whom this product has been designed are individuals, or Australian companies, or a trustee of an Australian family or unit trust who:

- require finance for the acquisition of, or construction of, a residential property for the purpose of it being their principal place of residence or for investment purposes or business purposes (or refinance other finance that has been provided for such a purpose) with the ability to obtain an equity release or consolidate debt;
- want the option of making principal and interest or interest only (maximum 5 years) repayments over the term of the loan;
- want the certainty of a fixed interest rate and repayments for a fixed rate period, with limited ability to make additional repayments without incurring an extra charge;
- want access to redraw up to \$20,000 per annum;
- want the ability to borrow up to 95% of the value of the property;
- can afford the loan; and
- can provide acceptable residential property as security for the loan

Whilst a fixed rate option limits the amount of additional repayments allowed and does not permit redraw, we have assessed this Product as being consistent with the likely objectives, financial situation and needs of consumers in the target market because the fixed rate provides certainty of repayments during the fixed period, making budgeting and forecasting easier for the consumer.

2. Product Description including Key Attributes

Product key attributes

The key attributes of this product that make it likely to be consistent with the target market described above, include:

Attribute	Appropriate for
Term loan	Retail clients that want to repay their loan over medium to long term period (up to a maximum of 30 years).
Loan Purpose	This product is suitable for retail clients who intend to acquire or construct the property as their principal place of residence or for investment purposes. This product can also be used for debt consolidation, equity release or other investment purposes (subject to lending criteria).
Loan Amount	Retail clients who want to borrow a minimum amount of \$20,000 to a maximum amount of \$1,500,000.
Fixed Interest Rate	A fixed interest rate means the interest rate will remain the same for a nominated period. At the end of the period the retail client can nominate a new fixed interest rate period, capped at no more than 5 years and within the remaining term of the loan, otherwise the loan will convert to a variable rate loan. This product may not be suitable for retail clients who want to make additional repayments and repay their loan quickly.
Repayment Types	Retail clients may elect to make regular scheduled principal and interest repayments or interest only (IO) repayments converting to principal and interest (max IO period of 5 years) over the term of the loan. Retail clients can choose from weekly, fortnightly or monthly repayment frequencies.
Early repayments and redraw	Retail clients who do not require the flexibility to make additional repayments over the specified cap without incurring an extra fee or charge. Ability to make additional repayments up to \$20,000 per year during the fixed rate period without incurring a prepayment fee. Repayments above \$20,000 per year, or changes to the fixed rate period (e.g. ending it early), may incur additional fees or charges (e.g. break costs). Retail clients can access additional repayments through the redraw function in internet banking (1 repayment amount is preserved and not accessible).
Access to other features	This product is not suitable for retail clients who may want access to other features (including offset)
Security over residential property	Retail clients that can use the residential property they have acquired with the loan as security for it.
Maximum LVR of 95% (inclusive of LMI)	Retail clients who want the ability to borrow up to 95% of the value of the property (depending on loan purpose and eligibility criteria). Mortgage insurance may apply depending on the LVR and property used as security.

3. How this product is to be distributed

Mortgageport Home Loans Pty Limited applies certain conditions and restrictions to the distribution of this product so that distribution is likely to be to retail clients within the target market for this product. The conditions and restrictions are:

Channel	<p>This product is to be distributed only through the following channels:</p> <ul style="list-style-type: none"> • Authorised Mortgageport Management Pty Ltd employees; • Accredited Credit Representatives; • Mortgage Brokers; and • Mortgage Managers.
Additional conditions or restrictions	<p>The following additional conditions and restrictions also apply to the distribution of this product:</p> <ul style="list-style-type: none"> • Only prospective retail clients who meet Mortgageport’s eligibility criteria for the product should submit an application for this product; • This product can only be issued to retail clients after applying Mortgageport’s affordability and suitability processes; and • This product can only be issued (or arranged to be issued) by persons who have been appropriately trained and accredited

4. Reviewing this target market determination

Mortgageport Home Loans will review this TMD as set out below:

Initial review	Within the first year of the effective date.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	<p>Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • material changes are made to the product terms and conditions, other than changes to the variable interest rate and consequential changes to repayments • occurrence of a significant dealing of the Product to consumers outside the target market; • distribution conditions found to be inadequate in ensuring that the product is issued to retail clients who are likely to be in the target market; • relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product; • significant changes in metrics, including, but not limited to: <ul style="list-style-type: none"> • a material increase in the number of complaints in relation to a product or aspect of a product • the level of retail clients experiencing hardship such as falling into arrears; • an increase in early termination of the product; • a large increase in the number of product conversions soon after loan settlement; and • any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate.

5. Reporting and monitoring this target market determination

Mortgageport Home Loans third-party distributors who are regulated persons will need to collect, keep and report the following information to Mortgageport Home Loans:

Type	Description of information	Frequency of reporting	How will the report be made?
Complaints	<p>Retail client complaints made in relation to this product. This includes:</p> <ul style="list-style-type: none"> written details of the complaint; and the number of complaints during the reporting period. 	<p>Reporting period: 6 monthly</p> <ul style="list-style-type: none"> When does the regulated person have to report number of complaints for the period: Within 10 business days of the end of the reporting period. When does the regulated person have to report an individual complaint: As soon as practicable and within 10 business days of the distributor becoming aware of the complaint. 	Head of Risk and Compliance
Sales data	Sales and retail client data in relation to this product as requested by Mortgageport Home Loans.	<p>Reporting period: As requested</p> <p>When does the regulated person have to report: Within 10 business days of the end of the reporting period.</p>	Head of Distribution
Significant dealings	<p>The following information:</p> <ul style="list-style-type: none"> details of the significant dealing; the date (or range) on which the significant dealing occurred; why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); and how the dealing was identified. 	<p>When does the regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.</p>	Head of Distribution

Revision Management

Date	Version	Approved by
22/09/2021	1.0	Product and Pricing Committee consisting of - Head of Risk and Compliance, Head of Marketing, Head of Distribution, Head of MyChoice and Head of Customer Service, Head of Credit, Managing Director