

Target Market Determination

Owner Occupied Mutual Home Loan

Introduction

About this Target Market Determination

This Target Market Determination [TMD] is a document of Maitland Mutual Limited trading as The Mutual Bank ABN 94 087 651 983, AFSL/Australian credit licence 238139 [we, us, our].

This TMD seeks to give our members, staff, product distributors, or any other interested parties an understanding of the class of members for whom the product, as described below, has been designed, how the product is distributed, and related matters.

This TMD is not, and should not be construed as, a full summary of the product's Terms and Conditions. Nor is it a substitute for the provision of financial advice.

When deciding about a deposit product, members should refer to the Product Disclosure Statement. For credit products members should refer to the relative credit product's Terms and Conditions.

Product to which this Target Market Determination Applies

This TMD applies to the Owner Occupied Mutual Home Loan product referred to in the relative credit product's Terms and Conditions. Please visit our website themutual.com.au or contact any of our Banking Managers for further information regarding this product.

Effective Date of this Target Market Determination

This TMD is effective from: 21 September 2021.

Owner Occupied Mutual Home Loan Target Market

Class of Members

Below we summarise the class of members comprising the target market for the Owner Occupied Mutual Home Loan based on the Owner Occupied Mutual Home Loan key attributes, the member's objectives and financial situation, and the member's needs that the product has been designed to meet.



Class of Members

The product has been designed for individual / joint individual borrowing members wanting:

- To purchase or construct their own home;
- Refinance an existing loan for their own home;
- A loan for any other personal purpose where their own home is used as security; and
- A variable rate home loan with some additional features.

The product has NOT been designed for:

- Business purposes, or for business entities;
- Individuals who are wanting to borrow less than \$100,000.00 or more than \$750,000.00;
- Individuals wanting an option of fixed interest rates;
- Individuals wanting to purchase rural property over 10 hectares; and
- Individuals wanting to purchase an investment property or refinance an existing investment home loan.

Product Description Summary including

- **key attributes and**
- **eligibility criteria**

Product explanation of objectives including

- **financial situations and**
- **needs**

The product is an Owner Occupied Mutual Home Loan, it is a basic low fee home loan. The product's key attributes and eligibility are:

- Access to extra repayments via redraw facility 24/7 through electronic banking;
- Loan Saver (partial offset) everyday account available;
- Monthly principal and interest repayments or interest only repayments for up to 5 years;
- No monthly or annual home loan fee;
- No annual fees on Mutual Visa Credit Card;
- Home construction conditions with progress payments;
- Take the loan with you when you move to a new home;
- Maximum loan to value ratio of 80% without Lenders Mortgage Insurance;
- Maximum loan to value ratio of 95% with Lenders Mortgage Insurance (LMI) plus LMI costs;
- Must be an Australian citizen or permanent resident, or as otherwise approved;
- Members must be at least 18 years of age;
- Acceptable residential security or rural lifestyle security up to 10 hectares; and
- Must meet The Mutual Bank's credit assessment requirements.

The product has been designed for individuals who are purchasing, constructing or refinancing an existing owner occupied home loan, or for other personal purposes, and have the flexibility to make extra repayments with surplus income.

The likely objectives of the individual borrower, who is an Australian citizen, meets credit assessment requirements, and requires the loan for their owner occupied home to be low cost with some added features, include:

- An ability to make extra repayments with surplus income to repay home loan sooner;
- Access to extra repayments 24/7 via electronic banking;
- Suitability for purchase or refinance of residential properties and rural lifestyle properties up to 10 hectares; and
- The benefits of a low interest rate and no ongoing fees.

Distribution of the Owner Occupied Mutual Home Loan

Distribution Channels

The Owner Occupied Mutual Home Loan is designed to be distributed through the following means:

- The Mutual Bank's Banking Managers and lending staff as located in the Hunter Region of NSW;

- The Mutual Bank's Banking Managers and lending staff via website and telephone enquiries; and
- Through third party distributors (e.g. mortgage brokers).

Distribution Conditions and Restrictions

The distribution of the Owner Occupied Mutual Home Loan is subject to the following conditions and restrictions:

- The product can only be distributed by those employees that have completed The Mutual Bank's Loan Product Training and have been assessed as competent;
- The product can only be distributed by those employees that have a current Tier 2 in Financial Services qualification;
- The product can only be distributed by those employees that satisfy their Continuing Professional Development requirements under The Mutual Bank's Australian Credit Licence; and
- The product can only be distributed by an accredited third party as approved by The Mutual Bank.

Reporting by Distributors of the Owner Occupied Mutual Home Loan

Significant Inconsistent Dealings

Distributors must report to us in writing within 10 business days if they become aware of a significant dealing in the Owner Occupied Mutual Home Loan product that is inconsistent with this TMD. This also applies when we distribute the Owner Occupied Mutual Home Loan product.

Complaints

Distributors must report all complaints they receive in relation to the Owner Occupied Mutual Home Loan product to us within 48 hours. Reports must be in writing and must include details of the complaint.

Other Information Required

Distributors must also report in relation to the Owner Occupied Mutual Home Loan product of any circumstances, incidents or events within 48 hours including:

- If any inconsistent of the dealing of the product occurs;
- Adverse media reports; and
- That this TMD may no longer be appropriate.

Reviewing this Target Market Determination

Periodic Review

We will undertake periodic reviews of this TMD for the Owner Occupied Mutual Home Loan product at least every three (3) Years from the Effective Date of this TMD.

Review Triggers or Events

Where a review trigger or event occurs, we will review this TMD within 10 business days.

We will also undertake a review of this TMD in the following circumstances:

- If we make a material change to the design or distribution of the product;
- If a significant inconsistent dealing in the product occurs;
- If it is determined by The Mutual Bank that there are more than three (3) major complaints about the product in a six (6) month period or more than six (6) major and moderate complaints over a period of 12 months;
- If The Mutual Bank's Board, Executive Management with product management responsibilities, Strategic Plan, and/or Business Plan require the product to be changed in

any way;

- If The Mutual Bank's Product Owner, Chief Risk Officer or designated AML Compliance Officer (under the AMLCTF laws) have identified that the product's risks, including its money laundering and terrorism financing risks, have materially changed;
- If Australian Securities and Investments Commission (ASIC) raise concerns about the product's design or distribution;
- If Australian Financial Complaints Authority (AFCA) or a Court raise concerns about the product's design or distribution;
- If the product's design or distribution receives adverse media coverage; or
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.