

Target Market Determination



Product	LoanOne Green Series Vacant Land
Issuer	Brighten Home Loans Pty Ltd ACN 620 839 983, ACL 512386
Date of TMD	5 December 2024
Mortgage Manager	LoanOne Pty Ltd ACN: 54 161 283 147; ACL: 501182

Legal Disclaimer

This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Brighten Home Loans Pty Ltd ACN 620 839 983, ACL 512386 (**Brighten**) design and distribution arrangements for the product.

This document is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Guide and if appropriate, consult financial, legal, and tax advice before making a decision whether to buy this product.

Target Market

Description of target market

The target market for the products include Australian citizens, permanent residents, temporary residents or non residents.

Full Doc Loan

Suitable for customers over the age of 18 who are:

- Employed (PAYG);
- Self-employed;
- and who are able to provide evidence of taxable income (eg payslips and tax returns).

Alt Doc Loan

Suitable for customers over the age of 18 who are self-employed and who prefer to verify their income with alternative methods such as an accountant certificate, Business Activity Statements or trading statements

Description of product, including key attributes

Information about the products' specifications is set out below:

- Loan term is up to 2 years;
- Repayment type is Interest Only;
- This is a variable rate product;
- Repayment frequency is monthly;
- Repayment methods include Direct Debit, BPAY and Pay anyone;
- Minimum loan amount of \$50,000.

Description of likely objectives, financial situation and needs of costumers in the target market

This product is designed for customers who are:

- Seeking to purchase, refinance or equity release from residential vacant land;
- Seeking a short term (up to 2 year) solution before they start construction.
- Seeking flexibility to make extra repayments without a fee;
- Seeking flexibility to redraw funds as required;

Classes of customers for whom the product is clearly unsuitable

Applicants will not be considered from the following:

- Individuals who are seeking an offset facility
- Minors;

- Companies or company trustee's involving disqualified directors;
- Companies and/or individuals where a significant portion of their income is derived from the purchase / development / re-sale of property, unless to purchase or refinance their owner-occupied residence (cash out limited to \$10,000);
- Bankrupts discharged < 2 years ago;
- Applicants under external administration;
- Superannuation funds (either applicant or security provider);
- Public companies;
- Owner Builders;
- Limited Liability Companies;
- Associations;
- Churches;
- Clubs; and
- Borrowers of Convenience.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market

This product is likely to be consistent with the likely objectives, financial situations and needs of the customers within the target market as it is a simple loan construct to understand with variable interest rates only. To be eligible to purchase this product, requirements must be met in relation to:

- Employment;
- Income; and
- Positive credit reports,

which would mean that, without exceptional circumstances, the Borrowers will be able to meet their repayment obligations.

Distribution Conditions

Distribution conditions

The main distribution channel for this product is through third part distributors, being mortgage brokers, mortgage managers, and aggregator panels (**Distribution Partners**).

The distribution conditions which Distribution Partners must comply with include ensuring that potential customers within the target market meet the eligibility requirements for the product.

In order to distribute this product to a potential customer within the target market, the customer must not:

1. fall into a class of customers set out under the above heading, "Classes of consumers for whom the product is clearly unsuitable"; or
2. provide an unacceptable security type.

Further eligibility requirements to purchase this product include:

1. Employment requirements of the target market; and
2. Income requirements of the target market.

Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market

Brighten monitors the quality and content of applications received from its Distribution Partners for trends and patterns of unacceptable practices or just poor quality and/or incomplete loan applications. Feedback is given, if and when needed. Brightens distributing Mortgage Brokers and Mortgage Managers are all party to agreements that contain commission or fee claw back clauses for unacceptable loans, poor performing loans, fraud and AML/CTF issues amongst other criteria. Brighten also reserves the right in these agreements to terminate Brokers for any reason on two weeks' notice.

Review Triggers

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

- A significant dealing of the product to consumers outside the target market occurs;
- A significant number of complaints or dissatisfaction by the customers in relation to Distribution Partners;
- A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate;
- 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;
- Hindsight reviews indicate that the product has been sold to classes of customers for whom the product is clearly unsuitable;
- Material changes to the regulatory environment or relevant legislation;
- The extent and nature of any negative feedback from Distribution Partners indicating that they are unable to sell the product to eligible customers within the target market;
- The extent and nature of any negative feedback from Borrowers indicating that they are dissatisfied with the product;
- High rates of default by the customers in the target market; and
- Customers of the target market seeking to switch to other loan products.

Review Periods

First review date: 5 December 2024

Periodic reviews: Every 12 months, and in the event it comes to our knowledge that a review trigger is triggered or that the product is not meeting the target market.

Distribution Information Reporting Requirements

The following information must be provided to Brighten by distributors who engage in retail product distribution conduct in relation to this product:

Type of Information	Description	Reporting Period
Customer Complaints	Number of complaints received in relation to the product	Every 6 months
Broker Complaints	The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market	Every 6 months
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (ie. why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Application details	The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity in order to ensure that eligible customers are purchasing the product.	As soon as practicable
Dealings outside of the target market	To the extent a broker is aware of dealings outside of the target market, these should be reported to Brighten, including the reason why acquisition is outside of target market	Within 10 business days

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Customer payment default	Customers within the target market are unable to meet their loan repayments	As soon as practicable
Customer's dissatisfaction with the product	The customer inquiring to change the product or making complaints about it	Every 6 months