

Fixed Rate Home Loan

Effective date: September 2021



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 Great Southern Bank'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 take into account any person's individual objectives, financial situation or needs.

Target Market

Great Southern Bank Home Loans are designed for customers who are purchasing or building an owner-occupied or investment property, and customers with an existing owner-occupied or investment home loan seeking to refinance. All home loan products may also be suitable for existing Great Southern Bank customers looking to switch or increase their existing home loan (conditions apply).

Fixed Rate Home Loans

Fixed Rate Home Loans are suitable for customers who prefer certainty of their repayments and seek protection from interest rate rises during the fixed rate period.

This product is suitable for people who:

- ✓ are seeking a long-term loan for the purchase or refinance of a residential property whether it is owner-occupied or investment (loan terms up to 30 years).
- ✓ want certainty of repayments or certainty of interest costs for a specified term (terms of 1, 2, 3 or 5 years).
- ✓ are not seeking the flexibility to reduce total interest costs over the loan term by making regular additional repayments, large lump sum repayments or link an offset facility during the fixed rate term. Up to \$30,000 in extra repayments can be made during the fixed period.
- ✓ are not planning to sell their property or pay out the loan during the fixed rate term, as early payout costs may apply.

This product is suitable for people who want to purchase a home to live in (owner-occupiers) and who may:

- ✓ have limited savings for a deposit (loan amounts up to 95% of property value for owner-occupiers paying principal & interest repayments with lenders mortgage insurance applicable).
- ✓ want to make interest-only repayments for up to 3 years to suit their current situation, for example studying or having a family.

This product is suitable for people who want to purchase an investment property and may:

- ✓ be comfortable with not reducing the loan balance for a period of time in preference for paying lower, interest-only repayments during that period.

This product is subject to eligibility and credit criteria.

Product attributes

- Fixed interest rate terms 1, 2, 3 or 5 years.
- Loan terms up to 30 years.
- Minimum loan amount \$10,000 with a minimum application amount for new customers of \$100,000.
- Ability to make up to \$30,000 extra repayments during the fixed rate term with free redraw.
- Principal & interest and Interest Only repayment types, noting maximum Loan to Value Ratio (LVR).
- Maximum LVRs. Lenders Mortgage Insurance (LMI) applies when borrowing over 80% of the property's value:
 - 95% for Owner-Occupiers paying Principal & Interest.
 - 90% for Owner-Occupiers paying Interest Only repayments for up to 3 years.
 - 90% for Investors with Principal & Interest repayments or Interest Only repayments for up to 5 years.
- Upfront fees apply including Establishment Fee and Security Administration Fee.
- No monthly or ongoing fees.
- Early Payout Costs may apply if the loan is to be partially or fully repaid during the fixed rate period.
- This product is not available for construction purpose.
- On expiry of the fixed rate period, the loan reverts to the Basic Variable (or Standard Variable, for fixed rate contracts entered into prior to 28 September 2021) Reference Rate relevant to your loan purpose and repayment type which applies at the time of expiry.

Distribution conditions

This product must only be distributed to customers who meet the eligibility requirements in relation to the product.

Eligibility Criteria

All applicants must:

- be at least 18 years of age.
- be a permanent resident of Australia.
- meet the Bank's credit assessment criteria including sufficient income to service the loan repayments.

This product will be distributed via our Great Southern Bank website, branches and Customer Contact Centre. Not all application types can currently be fulfilled online.

Only representatives who have the appropriate levels of authority may distribute this product. They will have been trained on this product and in particular, the target market and relevant acceptance criteria.

This product can also be distributed by home loan brokers who hold an Australian Credit Licence or are a credit representative of an aggregator group which holds an Australian Credit Licence, and who have been accredited by Great Southern Bank.

Reviewing this document

We will review this TMD within 1 year from the first effective date to ensure it remains appropriate. Thereafter, regular reviews will be completed within 12 months from the completion of the last review.

We will also review this TMD if:

- we make a material change to the product or the terms and conditions of the product.
- a change in our acceptance criteria impacts on the suitability of the product for the target market.
- a material change to the distribution conditions of the product.
- the discovery of a relevant and material deficiency in the product's disclosure documentation.
- a significant number of complaints are received from customers about the product which indicate that the TMD is no longer appropriate.
- material and relevant changes in key product metrics which indicate that the TMD is no longer appropriate. Such metrics include:
 - rates of default or hardship;
 - negative trends across sales, complaints, and product usage data.

Reporting

Great Southern Bank as issuer and distributor must record written details of:

- product related complaints received each month from its customers and distributors.
- any significant dealing which is not consistent with this TMD. Reporting must be within 10 business days of becoming aware of such dealing.
- sales data including number of home loan applications approved and closed on a monthly basis.

Home loan brokers who distribute Great Southern Bank Home Loans must report the following matters within the below timeframes to Great Southern Bank:

Matter to be reported	Timeframe
The number of complaints received from customers about Great Southern Bank Home Loans.	As soon as practicable, but no more than one month.
Significant dealings which are not consistent with this target market determination: <ul style="list-style-type: none">• When the dealing occurred.• The facts regarding the circumstances of the dealing.• All factors considered in assessing whether the dealing was significant.	Within 10 business days of becoming aware of such dealing.