

Bridging Loan – Home Loan

Effective date: September 2023



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

Objectives and needs

Requires a home loan to purchase or construct a new property whilst awaiting the sale of their existing property and seek short term finance to cover paying both loans.

Requires a home loan with an interest rate that can vary over the loan term.

Requires flexibility to make unlimited extra repayments at no cost that can be accessed during the loan term.

Product attributes

- **Purpose** – this home loan provides the ability to use credit for the noted objectives and needs.
- **Loan term** – interest only loan term up to 6 months. For construction purposes the term can be up to 12 months.
- **Interest rate** – variable interest rate means the rate can increase or decrease during the loan term.
- **Repayment type** – no monthly required repayments. Interest will capitalize monthly until the loan is repaid.
- **Early repayment** – unlimited additional payments can be made without charge.
- **Redraw** – allows customers to access extra payments made over the minimum amount. The capitalised interest that is credited to the loan at funding is not available for redraw.

Financial situation

The financial situation of the Target Market are customers that meet the credit assessment criteria of Great Southern Bank, which includes:

- ✓ Having a Great Southern Bank loan and Registered First Mortgage for the property that is being sold.
- ✓ Demonstrating capacity to make monthly interest repayments on the Bridging loan as well as on their existing home loan.
- ✓ Having equity in their existing property, or can make a contribution, such that the maximum loan to value ratio is 70% across both loans and properties.
- ✓ Providing residential property to secure the home loan.
- ✓ Providing the settlement funds from the sale of the existing property to repay the loan.

This product is not suitable for customers who:

- Do not intend to sell their existing property and apply the sale proceeds from their existing property to repay the loan.
- Do not meet the credit assessment criteria noted above.

Eligibility criteria and distribution conditions

All Great Southern Bank Home Loans are subject to eligibility and credit assessment criteria. This product must only be distributed to customers who are at least 18 years of age, a permanent resident of Australia and who are able to evidence sufficient income to service the minimum loan repayment requirements.

This product will be distributed via our Great Southern Bank branches and brokers.

Distribution channel	Conditions that make this channel appropriate
Branch and phone-assisted channels	The staff that distribute this product: <ul style="list-style-type: none">Undergo appropriate training to understand and discuss the product features, benefits and key differences between Home Loan products;Must follow policy and procedures that outline eligibility processes; andHave access to tools and resources such as product information and product comparison tools.
Accredited Mortgage Brokers	This product can be distributed by Mortgage 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.

All distribution channels are subject to appropriate controls and/or monitoring.

Review of this document and associated triggers

The review period of this document is every 18 months, with the next review due March 2025.

Great Southern Bank may also review this TMD sooner if any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate:

Review trigger	Description
Customer outcomes	Trends in customer outcomes that are significantly inconsistent with the intended product performance: <ul style="list-style-type: none">New accounts established.Account closures; andDelinquency rates.
Complaints	Trends in customer complaints from customers who hold the product, which relate to the purchase or use of the product, including: <ul style="list-style-type: none">Customer understanding of consumer risks or conditions of the product; andCustomer understanding of the key attributes of the product.
Incidents and breaches	Where deficiencies are identified in the products' design, distribution or disclosure documentation as a result of incidents related to potential breaches of legal or regulatory obligations.

Review of this document and associated triggers (continued)

Review trigger	Description
Material product and/ or distribution channel change	<p>Where Great Southern Bank makes a material change to the product construct, key attributes or terms and conditions through any of its distribution channels:</p> <ul style="list-style-type: none"> • Adding, removing or changing a key attribute; • A material pricing change to the associated fees and/ or charges which impacts the overall value proposition; and • A substantial change to the distribution strategy or channel(s) of the product.
External events	<p>Where there is a change in the external environment or a legal requirement to do so including:</p> <ul style="list-style-type: none"> • Significant change in economic and market conditions; • Regulatory or legislative requirement; and • Notification from ASIC requiring immediate stop of distribution.
Significant dealings	<ul style="list-style-type: none"> • Evidence of any significant dealing in the distribution of the product.

Reporting

Great Southern Bank will record details of the following:

Information type	Description
Product related complaints and feedback data	Product related complaints and feedback received each month from customers and distributors.
Significant dealings	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	Sales data including number of accounts opened and cancelled 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, and in any case no later than one month from the date the complaint is received.
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.

Appropriateness statement

Great Southern Bank has assessed that the Product including its distribution definitions and key attributes are likely to be consistent with the objectives, needs and financial situations of the target market.