

**TEACHERS MUTUAL  
BANK LIMITED**

# YOUR WAY PLUS HOME LOAN (OWNER OCCUPIED)

Target Market Determination

Date: 5 October 2023



# ABOUT THIS DOCUMENT

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This Target Market Determination (**TMD**) applies to the Your Way Plus Home Loan (Owner Occupied) issued by Teachers Mutual Bank Limited ABN 30 087 650 459, Australian Financial Services Licence/Australian Credit Licence 238981 (**TMBL**). TMBL operates under a number of brand names.

This TMD seeks to give TMBL members, staff, product distributors and other interested parties an understanding of the class of consumers for whom the Your Way Plus Home Loan (Owner Occupied) has been designed and how the product is to be distributed.

This TMD is not, and should not be construed as, a full summary of the product's terms, conditions and attributes. Nor is it a substitute for the provision of financial advice. When deciding about the product, consumers should refer to the Consumer lending terms and conditions, available at [www.tmbank.com.au](http://www.tmbank.com.au).

For further information on TMBL's approach to the distribution and development of products for appropriate target markets, please refer to the website, [www.tmbank.com.au/design-distribution-obligations](http://www.tmbank.com.au/design-distribution-obligations).

# TARGET MARKET DETERMINATION

**Issuer:** Teachers Mutual Bank Limited ABN 30 087 650 459, Australian Financial Services Licence/Australian Credit Licence 238981

**Effective Date:** 5 October 2023

**Product:** Your Way Plus Home Loan (Owner Occupied)

## A. Class of consumers

Below TMBL summarises the class of consumers comprising the target market for the Your Way Plus Home Loan (Owner Occupied) based on the Product's key attributes and the consumer objectives, financial situations and needs.

PRODUCT DESCRIPTION	
<b>Product Description</b>	An owner occupied home loan that provides access to a competitive low variable rate option and/or fixed rate (from one to five years), package benefits (including an offset facility) and discount rates and flexible features.
<b>Key Attributes</b>	<p>An owner occupied home loan with the following key attributes:</p> <ul style="list-style-type: none"> <li>the ability to use credit to purchase, improve or construct property or to refinance an existing home loan or other personal purposes;</li> <li>access to a variable and/or fixed rate option (from one to five years);</li> <li>ability to choose between making principal and interest or interest only repayments (the interest only repayment method is subject to approval and available for a maximum period of 5 years);</li> <li>loan amount from \$150,000 to amount determined by capacity to repay;</li> <li>6 months to 30 years loan term;</li> <li>split loan between fixed and variable rate home loans;</li> <li>ability to request for top-ups (any increase to the amount of credit is subject to lending criteria and does not have to be accepted by us)"</li> <li>offset facility;</li> <li>ability to make additional repayments without cost;</li> <li>additional repayments capped at \$10,000 per year for fixed rate;</li> <li>redraw facility; and</li> <li>ability to have Third Party Guarantor to secure the loan (subject to approval</li> </ul>
<b>Product Configurations</b>	Essential workers (as defined) are entitled to an extra 0.05% p.a. rate discount (variable rate only) and essential workers who are first home buyers have the ongoing annual package fee waived.

<b>Key Fees</b>	<p>What fees are payable:</p> <ul style="list-style-type: none"> <li>• annual package fee, variation fees, loan administration fees and standard fees relating to particular transactions or events (such as early break fees (for fixed rate only), and late payment fees).</li> </ul>	<p>What fees are <i>not</i> payable:</p> <ul style="list-style-type: none"> <li>• no establishment fee, additional repayment fee and redraw fee.</li> </ul>
<b>Eligibility</b>	Available to consumers, 18 years and over, that are eligible for bank membership, and who meet TMBL's credit assessment requirements.	

## LIKELY NEEDS, OBJECTIVES AND FINANCIAL SITUATION

<b>Class Description</b>	The Product has been designed for consumers who are seeking to purchase, improve, construct or unlock equity in owner occupied property or to refinance an existing home loan and want a competitively low variable rate and/or fixed rate (up to five years), package benefits (including an offset facility) and discount rates and flexible features.
<b>Likely Financial Situation</b>	<p>Consumers who:</p> <ul style="list-style-type: none"> <li>• meet TMBL's credit assessment requirements;</li> <li>• have access to regular income to meet repayments or a defined exit strategy;</li> </ul>
<b>Likely Needs</b>	<p>Consumers who need credit to:</p> <ul style="list-style-type: none"> <li>• purchase owner occupied property;</li> <li>• purchase vacant land;</li> <li>• refinance an existing home loan;</li> <li>• renovate or improve owner occupied property;</li> <li>• fund construction on owner occupied property; or</li> <li>• unlock equity in the property to finance the purchase of personal property.</li> </ul>
<b>Likely Objective</b>	<p>Consumers seeking a credit contract with the following features:</p> <ul style="list-style-type: none"> <li>• ability to save interest while having access to money by using an offset facility;</li> <li>• ability to switch the repayment type from principal and interest to interest only;</li> <li>• ability to switch the loan type from a variable rate to a fixed rate (up to five years);</li> <li>• ability to split the loan balance into fixed and variable rate home loans;</li> <li>• ability to top-up the loan amount (subject to a credit assessment requirements);</li> <li>• ability to make unlimited additional repayments for variable rate;</li> <li>• ability to make additional repayments capped at \$10,000 per anniversary year for fixed rate;</li> <li>• redraw facility (not available while loan is part funded during construction);</li> <li>• ability to make flexible weekly, fortnightly or monthly repayments (interest only repayment are monthly only); and</li> <li>• ability to access internet banking, phone banking, mobile app banking and banking in branch.</li> </ul>

**Classes of Consumers for whom the Product has not been designed for**

This loan might not be suitable for a consumer seeking to purchase an investment property.

## B. Distribution conditions and restrictions

Below TMBL summarises the conditions and restrictions on distribution of the Product and the distribution channels that are likely to result in distribution to consumers in the target market.

<b>Distribution channel</b>	<ul style="list-style-type: none"> <li>• TMBL branch;</li> <li>• TMBL call centre;</li> <li>• TMBL websites;</li> <li>• TMBL online inquiries, including email and live chat function;</li> <li>• face-to-face, including TMBL events, home visits and video chat;</li> <li>• accredited brokers;</li> <li>• advertising through comparison sites; and</li> <li>• advertising through television, radio, the internet (including social media), billboards and physical banners, periodicals, brochures and other marketing available to the public.</li> </ul>	
<b>Distribution conditions and restrictions</b>	<b>General advice (such as advertising)</b>	<ul style="list-style-type: none"> <li>• the distributor may provide general advice, such as advertising, through public channels; and</li> <li>• a third party distributor must comply with the terms and conditions of any relevant distribution agreement or arrangement with TMBL.</li> </ul>
	<b>Retail Product distribution conduct (other than general advice)</b>	<ul style="list-style-type: none"> <li>• a distributor must hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee;</li> <li>• a third party distributor must comply with the terms and conditions of any relevant distribution agreement or arrangement with TMBL;</li> <li>• all distribution channels must be staffed by persons who have been trained in the distribution of this Product; and</li> <li>• the Product under this TMD can only be distributed to consumers that meet the eligibility requirements that have been approved by TMBL.</li> </ul>

### DISTRIBUTION DETERMINATION

The distribution strategy will enable the Products to reach consumers in the target market as the distribution channels are monitored by TMBL and/or staffed by persons who have been trained in the distribution of this Product.

## C. Review

Below TMBL summarises the events or circumstances that reasonably suggest that the TMD is no longer appropriate.

<b>Review Triggers</b>	<p>The following events and circumstances would reasonably suggest the TMD is no longer appropriate and would trigger a review of the TMD:</p> <ul style="list-style-type: none"> <li>• significant dealings that are inconsistent with the TMD;</li> <li>• a disproportionately high number of complaints received in relation to the design and/or distribution of the Product;</li> <li>• relevant material change in law, such as changes to applicable legislation, court/AFCA decisions, regulatory guidance or other mandatory requirements which impact the Product design and/or distribution;</li> <li>• identified systemic issues in the design and/or distribution of the Product, which would cause the TMD to no longer be appropriate;</li> <li>• material changes to the design and/or distribution of the Product, including its key attributes and terms and conditions; or</li> <li>• other events or circumstances which indicate that the TMD is no longer appropriate (e.g. a disproportionately high number, beyond expected levels, of members switching or closing the Product each month or accounts originated with loan purposes outside of the intended purpose of the Product).</li> </ul>	
<b>Review Periods</b>	<b>Review of this target market determination</b>	5 October 2024
	<b>Periodic reviews following the first review of this TMD</b>	Annually

## D. Distribution information reporting requirements

The following information must be provided to TMBL by all third party distributors within the required timeframes:

TYPE OF INFORMATION	DESCRIPTION	REPORTING TIMEFRAME
<b>Complaints</b>	Number of complaints received in relation to the Product.	Within 10 business days of the relevant Reporting Period (being each 6 month period ending March and September)".
	The circumstances giving rise to the complaints (e.g. product type, issues raised and reasons).	On a half-yearly basis covering the periods ending March and September.
	Whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.	On a half-yearly basis covering the periods ending March and September.
<b>Significant Dealing(s)</b>	Date or date range of the significant dealing(s) and description of the significant dealing(s) (eg, why it is not consistent with the TMD).	As soon as practicable, and in any case within 10 business days after becoming aware.
<b>Other Information Requested from Time-to-Time</b>	Any other information requested in writing by TMBL from time-to-time subject to: <ul style="list-style-type: none"> <li>• the request being necessary to ensure compliance with TMBL's legal and compliance obligations; and</li> <li>• TMBL providing at least 30 days prior notice before the end of the Reporting Period.</li> </ul>	