

Target Market Determination

MKM NEAR PRIME

Product	NEAR PRIME
Issuer	MKM NEWCO PTY LTD ABN 64 639 174 315 ACL 522267
Date of TMD	14 th June 2022
Target Market	<p>Description of target market, including likely objectives, financial situation, and needs</p> <p>The features of this product have been assessed as meeting the <i>likely objectives, financial situation and needs of</i></p> <ul style="list-style-type: none"> • consumers who are looking to purchase or refinance an owner occupied or investment property • consumers who are PAYG employed or who have been self-employed for more than 12 months that have some moderate credit impairment history • consumers who want the flexibility to make additional repayments at no additional cost; and want the option of either principal and interest or interest only repayments • whilst variable interest rates may fluctuate, the product meets the likely objectives, financial situation and needs of consumers in the target market because it allows them to make additional repayments to reduce interest payable whilst retaining the ability to draw on those funds when required. <p>Self-employed with limited financial information</p> <ul style="list-style-type: none"> • This product also provides access to finance for consumers who are self-employed and have limited levels of information in relation to employment and income and are therefore unable to provide the financial information necessary to access a lower interest rate. <p>Description of product, including key attributes:</p> <ul style="list-style-type: none"> • Variable interest rate; • Minimum loan amount: \$100,000 • Maximum loan amount: \$3,000,000 • Loan term: 30 Years • Type of repayment available: principal and interest/ interest only for up to 5 years then reverting to principal and interest); • Repayment frequency: monthly in arrears; • Maximum LVR: 85% (Full Doc) • Types of fees payable: application fee, valuation assessment fee, facility risk fee, legal fees, title insurance fee, annual loan administration fee.

	<p><i>Classes of consumers for whom the product may be unsuitable</i></p> <p>This product may not suitable for consumers who:</p> <ul style="list-style-type: none"> • do not meet the eligibility requirements; • are seeking the certainty of fixed repayments over the term of the loan; • are seeking an offset account • require a loan for construction purposes
<p>Distribution Conditions</p>	<p><i>Distribution conditions</i></p> <p>The following distribution channel and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <ul style="list-style-type: none"> • Third party distributors - Mortgage Brokers subject to Best Interests Duty (BID) and related obligations <p>The distribution channels and conditions are appropriate because:</p> <ul style="list-style-type: none"> • our distributors have been adequately trained to understand their DDO obligations; • all applications submitted by mortgage brokers must comply with our policies and procedures, including meeting the eligibility requirements for the loan; • mortgage brokers must be appropriately authorised; and • mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer.
<p>Review Triggers</p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • A significant number of complaints are received from customers in relation to their purchase or use of the product; • There is 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; • There are material changes to regulatory environment; • There are high rates of default; and • There are high rates of hardship
<p>Review Periods</p>	<p><i>Review date:</i> 14th June 2022</p> <p><i>Periodic reviews:</i> Every twelve months</p> <p><i>Trigger reviews:</i> review to be completed within 10 business days of the identification of a trigger event</p>
<p>Distribution Information Reporting Requirements</p>	<p>The following information must be provided to MKM NEWCO PTY LTD ABN 64 639 174 315 ACL 522267 by distributors who engage in retail product distribution conduct in relation to this product:</p>

	Type of information	Description	Reporting period
	Specific Complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
	Complaints	Number of complaints	Every 6 month period where one or more complaint is received
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware