

RAMS Target Market Determination (TMD).



This TMD is issued by Westpac Banking Corporation ABN 33 007 457 141 as credit provider for loans originated by RAMS Financial Group Pty Limited ABN 30 105 207 538

Product: This TMD applies to:

- RAMS Essential Home Loan
- RAMS Fixed Rate Classic Home Loan

Effective date: 5 October 2022

Target market class of consumers

Product description and key attributes

These products are basic variable rate loans designed for borrowers who are looking for a basic home or investment loan that offers a low variable rate (when compared to home loan products with more features), which is not tied to any package and with no offset feature. Borrowers may use the loan for the purchase or construction of a residential property, to use the equity in their property for other non-residential personal purposes or to refinance an existing loan.

The key product attributes (including the key eligibility requirements) to acquire these products:

Key Product Attributes:

- Available for owner occupied or investment purposes;
- Progressive drawdown feature allows consumers to finance a new build or major renovation and only pay interest on the amount drawn until construction is complete;
- A basic loan that is not linked to an offset account or package;
- Choice of rate types available to suit the consumer's needs:
 - Variable rate
 - A variable rate that could move both up and down;
 - No monthly account keeping fees or fees for redraw;
 - Flexibility of unlimited additional payments;
 - Access to available funds built up with additional payments via redraw;
 - Flexibility to switch from variable to fixed rate or from variable to part variable/part fixed rate;
 - Fixed rate
 - Fixed interest rate and set repayment for a selected period of 1, 2, 3, 4, 5 or 10 years (NB: the 10 year fixed rate periods not available for owner occupiers repaying Interest Only);
 - The fixed interest rate available on settlement date is applied unless fixed rate lock-in is selected for a fee;
 - Monthly service fee;
 - Additional repayments allowed, up to a maximum of \$30,000 during the fixed rate period before break costs may apply. Prepayment amount greater than \$30,000 is allowed, which may incur break costs;
 - Redraw available, up to a maximum of \$30,000 during the fixed rate period;
 - At the expiry of the fixed rate period, or if the fixed rate period is broken early (at which point break costs may apply), the loan will automatically revert to a variable rate Essential Home Loan;
- Choice of repayment types available to suit the borrower's needs:
 - Principal and Interest (P&I),
 - Interest Only*, or
 - Interest Only in Advance* (Fixed Rate Only) – to allow investment consumers who have a need to pay 12 months interest in advance for cash flow or tax purposes. This feature is not available for owner occupied loans and must be selected at origination.



*Note: Interest Only repayments revert to P&I repayments after the initial Interest Only period. The P&I repayments for a loan that reverts from Interest Only will be set so as to repay the loan balance over the remaining term and will be higher than if P&I repayments were made from the start of the loan that is, over the full term of the loan.

Key eligibility requirements:

- Borrower must be aged 18 and over; and
- Borrower must be an individual or company or trust with an incorporated or individual trustee(s);
- Borrower must be an Australian permanent resident, temporary resident (some visas holders considered, subject to conditions); and
- Borrower must meet the credit criteria, which includes demonstrating the ability to meet repayment obligations; and
- Loan must be secured by Australian residential property.

Class of consumers

These products are designed for a class of consumers whose likely needs, objectives and financial situation (as set out below) are aligned with the product and the product's key attributes.

Needs, objectives and financial situation

These products are designed for consumers who:

- need a basic home or investment loan (when compared to home loan products with more features); not tied to package discounts, no offset feature and with no annual maintenance fees;
- may want progressive drawdown for construction purposes;
- may want a choice of rate type (variable or fixed) throughout the life of the loan;
- may want repayment flexibility to make additional payments and access available funds via redraw;
- are looking to buy, build or renovate a residential property to live in or for investment purposes; or
- are looking to refinance a home or investment loan from another lender secured by residential property; or
- may be looking to use the equity in the security property for other non-residential purposes; or
- may be looking for variable rate bridging finance; or
- may be investors who may wish to pay Interest Only in Advance;
- are able to meet repayment obligations.

These products are not designed for consumers who:

- need a loan for predominantly business purposes;
- are seeking a package and/or an offset facility.

Alignment to target market

These products are likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the products and a determination that these are consistent with the identified class of consumers.

Distribution conditions and restrictions:

Distribution channels

These products are designed to be sold via the following means:

- RAMS Home Loan Centres;



- Variations to existing home loans may also be performed by Unisys Mortgage Processing under a service provider agreement with Westpac;
- Licensed referrers - if they engage in retain product distribution conduct prior to referring the consumer to a RAMS Home Loan Centre.

Distribution conditions and restrictions

These products should only be distributed under the following circumstances:

- If a consumer meets the eligibility criteria for these products;
- If the distributor is accredited to sell these products;
- Our process requirements must be met for all distribution channels.

Appropriateness of distribution conditions and restrictions

We have assessed that the distribution conditions and restrictions will make it likely that consumers who acquire the products are in the target market. We consider that the distribution conditions and restrictions are appropriate and will direct distribution towards the class of consumer for whom the products have been designed.

TMD reviews

We will review this TMD in accordance with the below:

Initial review	Within 2 years of the effective date.
Periodic reviews	At least every 2 years from the last review.
Review triggers	<p>The review triggers (which reasonably suggest the TMD is no longer appropriate) that may result in an earlier review of the TMD include material changes to the design or distribution of the products including related documentation, material changes in law or taxation policy that may affect the operation of the products, or:</p> <ul style="list-style-type: none"> • Significant changes in metrics. These include: <ul style="list-style-type: none"> • Customer complaints, e.g. relating to key product attributes, product suitability and sales conduct; • Switching and closed account volumes; • Distribution conditions found to be inadequate; • Occurrence of a significant dealing.

Distribution information

We will collect the following information from our distributors directly or indirectly in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the products covered by this TMD on a monthly basis at a minimum, and for all other complaints about the distribution of the product, including conduct complaints, unless otherwise reported, on a quarterly basis covering the periods [ending March, June, September, and December] basis. This will include written details of the complaints.
Significant dealings	Distributors will report if they become aware of a significant dealing in relation to this TMD that is inconsistent with the TMD within 10 business days.