

# RAMS Target Market Determination (TMD).



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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

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**Product:** This TMD applies to:

- RAMS Line of Credit
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**Effective date:** 5 October 2022

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## Target market class of consumers

### Product description and key attributes

The Line of Credit has been primarily designed for consumers who wish to use the equity in a residential property to purchase other property or non-property investments and build assets through flexible access to a revolving credit line.

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

#### Key Product Attributes:

- The minimum monthly payments required only cover interest and applicable fees/charges (noting repayments are not required if consumers are under their credit limit);
- To repay the loan's principal, consumers must also make additional payments on a regular basis;
- Choice of rate types available to suit the consumer's needs:
  - Variable rate
    - A variable rate that could move both up and down;
    - Flexibility of drawdown;
    - Flexibility of unlimited additional payments and access to available funds for individuals via debit card or cheque access, online transfers or cash withdrawals from ATMs and for companies and trustees via cheque access or online transfers;
    - Flexibility to switch from variable to fixed rate or from variable to part variable/part fixed rate.
  - Fixed rate
    - Available post settlement – i.e. not available at loan origination;
    - Fixed interest rate and set repayment for a selected period of 1, 2, 3, 4, 5 or 10 years (NB: the 10 year term is not available for owner occupiers repaying Interest Only);
    - Additional payments 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.
- Available for investment purchases;
- Value Advantage Package. The optional package is gives access to benefits on eligible products including an interest rate discount on their variable rate Line of Credit. Annual Package fee and eligibility criteria apply;
- Package can be removed or re-added at any time, in which case the package benefits will cease or be reinstated (respectively);

#### 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**

This product is 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**

This product is designed for consumers who:

- need a product where the principal balance is not included in minimum interest only payment (and that repayments are not required if the consumer is under their credit limit) and will require extra repayments to reduce the principal over time;
- can repay the loan balance in full prior to the end of the loan term without selling their owner occupied home;
- may want choice of rate types (fixed or variable) to suit their needs;
- are looking to use equity in a residential property to purchase other residential or non-residential investments (e.g. shares);
- may be looking to refinance an investment loan from another lender secured by residential property;
- want transactional access (e.g. debit card for individuals and/or cheque access for individuals; companies and trustees) to a revolving loan amount.

This product is not designed for consumers who:

- need a loan for predominantly business purposes;
- would need to sell their owner-occupied home to repay the loan balance prior to the end of the loan term;
- require a loan with regular principal and interest repayments to pay off their loan prior to the end of the loan term.

## **Alignment to target market**

This product is 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 product and a determination that these are consistent with the identified class of consumers.

## **Distribution conditions and restrictions:**

### **Distribution channels**

This product is 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**

This product should only be distributed under the following circumstances:

- If a consumer meets the eligibility criteria for this product;
- If the distributor is accredited to sell this product;
- 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 product is 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 product has been designed.

## TMD reviews

We will review this TMD in accordance with the below:

<b>Initial review</b>	Within 2 years of the effective date.
<b>Periodic reviews</b>	At least every 2 years from the last review.
<b>Review triggers</b>	<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 product including related documentation, material changes in law or taxation policy that may affect the operation of the product, or:</p> <ul style="list-style-type: none"><li>• Significant changes in metrics. These include:<ul style="list-style-type: none"><li>• Customer complaints, e.g. relating to key product attributes, product suitability and sales conduct;</li><li>• Closed account volumes,</li></ul></li><li>• Distribution conditions found to be inadequate;</li><li>• Occurrence of a significant dealing.</li></ul>

## Distribution information

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

<b>Complaints</b>	Distributors will report all complaints in relation to the product 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.
<b>Significant dealings</b>	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.