

Fixed Rate Home Loan



Target Market Determination (TMD)

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Issued by Suncorp Bank (Norfina Limited ABN 66 010 831 722; Australian Credit Licence 229882; Australian Financial Services Licence 229882).

What is a Target Market Determination?

A Target Market Determination (**TMD**) is a determination that Suncorp Bank has made to:

- describe the class of customers this product has been designed for;
- specify product distribution conditions;
- specify review periods and triggers; and
- set out reporting requirements.

A TMD is not a product disclosure statement and is not a full summary of the product features or the terms of the product. It is not intended to be a customer disclosure document and does not take into account any person's individual objectives, financial situation or needs.

If you are interested in acquiring this product, please carefully read the relevant home loan contract, Home Loan Key Fact Sheet and Lending Fees and Charges documents before making a decision. Fees, charges, terms and conditions apply. This information is available on request.

What is this Fixed Rate Home Loan?

Suncorp Bank's Fixed Rate Home Loan is a home loan with an initial fixed interest rate period which, when expired, reverts to a standard variable interest rate and can

be re-fixed. The loan has a minimum amount of \$10,000, an overall loan term of between 8 and 30 years (inclusive of both the fixed and variable rate periods) and either principal and interest repayments for the term of the loan or interest-only repayments for up to 5 years. The loan may be able to be included in the Home Package Plus with a total customer exposure or approved credit limit of \$150 000 or more. During a fixed interest rate period, the loan cannot have a linked interest offset account and does not have a redraw facility to allow you to access advance payments.

During the subsequent standard variable interest rate period, the loan can also have a linked interest offset account and has a redraw facility to allow you to access advance payments.

This product cannot be used for constructions or renovations that require progress payments. It also cannot be used wholly or predominantly for business purposes.

What are the key attributes of this Fixed Rate Home Loan?

This loan has an initial fixed rate for the first 1, 2, 3 or 5 years, during which there is the ability to make additional repayments of up to \$500 per month without incurring an Early Payment Interest Adjustment (**EPIA**). During the subsequent standard variable rate interest period, there is the ability to, without incurring an EPIA:

- make additional repayments of more than \$500 per monthly repayment period;

- apply to add funds to loan value; and
- apply to split the loan balance into multiple loan accounts to take advantage of both fixed and variable interest rates.

Who is the Target Market for this Fixed Rate Home Loan?

The Target Market is the class of customers who meet the criteria below.

Type of Customer	Customers who are personal customers, private companies or trustees of a trust. Customers can be individual or joint borrowers. Customers who are at least 18 years old and either a current residential property owner or be preparing to purchase a residential property. Customers can be either owner-occupiers or investors.	
Likely Objectives	Customers will have any one or more of the following short-term and long-term objectives: <ul style="list-style-type: none">— obtaining a home loan to purchase, renovate or improve a residential property (where progress payments are not required);— arranging to refinance an existing home loan;— accessing equity built up in an existing residential property; and/or— consolidating debts, which include a home loan.	
Likely Needs	Customers will need a loan amount of over \$10,000 and a term of between 8 and 30 years. In the short term, customers will need predictability and/or certainty that their interest rate and repayments will not increase for a fixed period. In the medium to long term, during the standard variable rate portion of the loan, customers who need one or more of the following: <ul style="list-style-type: none">— the flexibility to re-fix the interest;— the ability to take advantage of potential future interest rate decreases;— the flexibility to access extra repayments made to the loan to meet future financial needs; and/or— flexibility allowing early repayment of loan.	
	Customers can customise this product by making principal & interest repayments or interest-only repayments (for a period of up to 5 years): Customers who choose to make principal & interest repayments will have one or more of the following needs: <ul style="list-style-type: none">— the ability to minimise interest paid over the life of the loan;— the ability to build home equity from the commencement of the loan;— the ability to contribute a lower deposit amount than is required when seeking interest-only repayments; and/or— the ability to access a higher lending limit than is available when seeking interest-only repayments.	Customers who choose to make interest-only repayments will have one or more of the following short-term needs: <ul style="list-style-type: none">— the ability to accommodate a temporary reduction in income;— the ability to accommodate an anticipated non-recurring expense item;— the ability to cater for variable and unpredictable income;— to follow advice given by an independent financial advisor / accountant or for taxation or accounting reasons.
	Customers can customise this product: <ul style="list-style-type: none">— where linking the product in the Home Package Plus, they will have the need to reduce the interest rate and fees payable;— where linking an interest offset account (only available after the expiry of the initial fixed rate interest period), they will have one or more of the following needs:<ul style="list-style-type: none">— the ability to reduce the interest payable by offsetting the loan for interest calculation purposes;— the ability to repay debt earlier while retaining access to funds without the Bank's approval; and/or— to reduce interest payable for tax purposes.	
Likely Financial Situation	Customers will have ongoing, regular and reliable income and meet the Bank's credit assessment requirements (including the ability to pay relevant fees, meet deposit requirements and demonstrate capacity to make repayments without substantial hardship).	
Dependencies	Customers must satisfy conditions for certain features (e.g. interest-only repayments) and to link this product to a package (e.g. Home Package Plus), and other terms and conditions may apply.	

The Fixed Rate Home Loan is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market because:

- the product enables customers to meet short and long-term financing objectives involving a residential property;
- the initial fixed rate interest period and ability to re-fix the loan offers a solution for customers seeking certainty of repayments; and
- the subsequent variable rate period and flexibility to vary the loan caters for changing customer needs over the long term.

What conditions/restrictions are there on how this Fixed Rate Home Loan product is distributed?

This loan can be sold only through the following channels with the following conditions/restrictions:

Channel	Distribution Conditions/Restrictions
Suncorp Bank Branches, mobile lenders, or contact centres	— By representatives who must be appropriately trained, follow an approved conversation framework and direct the likely target market towards the most suitable product.
Digitally online at www.suncorpbank.com.au	— Where the customer must follow a product selection journey designed to direct the likely target market towards the most suitable product.
Comparison websites	— Where click-through links direct customers to a URL at www.suncorpbank.com.au as advised by Suncorp Bank.
Approved brokers	— Who must be appropriately trained, have a contract with an Aggregator partner of Suncorp Bank and be accredited by Suncorp Bank.
All channels	— Applications must be submitted on Suncorp Bank's application form and meet credit assessment requirements. — All marketing must be approved by Suncorp Bank and be consistent with this TMD.

These distribution conditions ensure that all channels submit detailed applications inclusive of a product recommendation and a record of customer objectives, needs and financial situation, which are captured through sales processes. Customers then undergo a credit assessment process, within which trained staff perform a target market assessment.

When will this TMD be reviewed?

This TMD is effective from 5 October 2024 and will be periodically reviewed at least every 24 months from the last effective date. We will also review this TMD if, in Suncorp Bank's view, any of the following events occur:

Review Triggers

- **Significant dealing:** When there is a significant dealing outside the target market.
- **Hardship:** There is a material and unexpected increase in hardship applications within a year of origination;
- **Complaints:** There is a material and unexpected increase in the number of, or change in the nature of complaints;
- **Early exits:** There is a material and unexpected increase in early exits from the product (e.g. through refinances or product switches);
- **Fee income:** There is a material and unexpected increase in fee income;
- When there is a material change to the design and/or strategy of the product. For example, a change to a key product attribute or a material change to a distribution channel.
- When the distribution conditions have, in Suncorp Bank's view been found to be inadequate.

- When there is a change in law or its application, a change in relevant industry code, an AFCA determination, a court decision, or ASIC or other regulatory guidance or action that materially affects the product.
- An earlier review will also be conducted when other events or circumstances reasonably suggest that the TMD is no longer appropriate.

What information does Suncorp Bank require?

External sources

Suncorp Bank requires the following information from all third party distributors:

Type of information to be reported	Reporting Period
Complaints information in a format required by Suncorp Bank	Quarterly
Significant dealings	As soon as is practicable but within 10 business days