

Basic Home Loan

Target Market Determination

30 November 2021

Prepared by BOQ Specialist, a division of Bank of Queensland Limited (BOQ) ABN 32 009 656 740 Australian Credit Licence and AFSL 244616, the issuer of this product.

What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- the class of customers that comprise the Target Market for the product
- any conditions or restrictions on how the product is distributed to retail customers
- events or circumstances where we will review the TMD for the product.

Why does BOQ Specialist need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help customers obtain appropriate financial products by requiring issuers and distributors to have a customer centric approach to the design and distribution of products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. Customers must refer to these documents when making a decision about this product. These documents can be found on our website or you can obtain a copy upon request.

The TMD will undergo a periodic review as follows:

Effective date
30 November 2021
Next Review Due
Before 30 November 2023
Review
At least every two years from the effective date of this TMD

Target Market

The Target Market for this product is customers generally from the medical, dental, veterinary or accounting professions and their associates and suppliers, who need a loan to acquire a home and have the financial situation to borrow money to do so. These customers are likely to have the following objectives, needs and financial situation and must meet the eligibility criteria for this product.

Objectives

The customers' likely objectives are to:

- buy an existing property to be owner-occupied or held for investment purposes, or
- refinance an existing residential mortgage.

Needs

The customers' likely need is a basic product that enables their objective to acquire a home. This may include:

- flexible repayment with a variable interest rate, or certainty of repayments and interest rates/cost with a fixed rate
- long repayment term
- wide range of Loan-to-Value Ratio (LVR) with Lender's Mortgage Insurance for higher LVRs
- low rate and no access to an offset account.

For more information see the table in the product description section below.

Financial situation

This product is suited to customers who satisfy BOQ Specialist's credit assessment criteria.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an Australian citizen, permanent resident, or resident with acceptable residency status
- be 18 years or older
- have an acceptable credit history
- demonstrate their capacity to repay the loan.

Product description

A basic home loan with our lowest interest rates and a redraw facility to help manage surplus funds.

Key attributes of this product

- fixed and variable interest rate
- principal and interest repayment schedule
- interest only repayment option (up to five years)
- online access
- loan splitting
- redraw for variable rate portions
- secured against property.

Customisable key features and customer needs

Customers can customise the following listed key features of this product. These features are appropriate for those customers within the Target Market with the selected needs described below. Other non-listed key features of the product are appropriate for the whole Target Market.

KEY FEATURES APPROPRIATE FOR THE NEEDS OF THIS TARGET MARKET						
TARGET MARKET NEEDS	VARIABLE INTEREST RATE	FIXED INTEREST RATE	LOAN SPLITTING	REDRAW	PRINCIPAL AND INTEREST REPAYMENT	INTEREST ONLY REPAYMENT (UP TO FIVE YEARS)
CERTAINTY OF REPAYMENTS AND INTEREST RATES/COST	No	Yes	Yes, for fixed portion	No	Yes	Yes

Why the product is likely to be consistent with the likely objectives, needs and financial situation of the Target Market

The product's attributes are designed to support the Target Market's objectives, needs and financial situation. The customer's need to buy a home can be met by the multiple repayment options available and loan features such as fixed or variable interest, principal and interest, interest only, loan splitting and redraw.

Specialist's assessment that the product will likely be distributed to the Target Market because of the following key controls:

- training of BOQ Specialist bankers with quality assurance processes over compliance
- aggregator/broker accreditation requirements
- controls to ensure applying customers meet BOQ Specialist's credit assessment criteria and eligibility requirements
- client needs analysis and broker checklists applied to align customer needs with this product.

Distribution conditions

This product can be distributed through:

- BOQ Specialist accredited bankers
- BOQ's branch network (including owner managers) and partnerships on a spot and refer basis to the BOQ Specialist team
- BOQ Specialist accredited third party aggregators, brokers, referrers as well as partnered associations.

This product can only be distributed to retail customers in accordance with BOQ Specialist's customer acceptance requirements and is subject to BOQ Specialist's credit assessment criteria.

Why the distribution conditions will make it likely that the customers who acquire the product are in the Target Market

BOQ Specialist considers that the distribution conditions and restrictions support BOQ

Review triggers

We will review this TMD if any of the following trigger events and information being monitored reasonably suggest that the TMD may no longer be appropriate:

- we receive a significant number of complaints in relation to the product
- we identify a material adverse customer experience in relation to the product appropriateness
- there is a material change to the product attributes, fees, charges, terms and conditions or the manner of distribution
- there is a Significant Dealing in this product which is inconsistent with the Target Market.

Information reporting requirements

All distributors who distribute this product must provide the following information to BOQ Specialist:

TYPE OF INFORMATION	DESCRIPTION	REPORTING PERIOD
Customer complaints received about this product	Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product	As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period
Significant Dealings	The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD	As soon as practicable, and in any case within 10 business days after becoming aware
Incidents/Issues (including regulatory breaches)	Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market	As soon as practicable, and in any case within 10 business days after becoming aware

Note: Record keeping

BOQ Specialist and its distributors will keep records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

BOQ Specialist will also keep complete and accurate records of our decisions, and the reasons for those decisions about:

- all Target Market determinations for this product
- identifying and tracking review triggers
- setting review periods, and
- the matters documented in this TMD.