

Standard Variable Rate Home Loan



Target Market Determination (TMD)

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Issued by Suncorp-Metway Ltd ABN 66 010 831 722; Australian Credit Licence 229882; Australian Financial Services Licence 229882 (**Suncorp Bank**).

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 Standard Variable Rate Home Loan?

Suncorp Bank's Standard Variable Rate Home Loan is a home loan with a variable interest rate. The loan has a minimum amount of \$10,000, a term of between 8 and 30 years 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 or have a linked interest offset account and includes a redraw facility to allow you access to advance payments.

This product cannot be used wholly or predominantly for business purposes.

What are the key attributes of this Standard Variable Rate Home Loan?

This loan has a variable interest rate over the life of the loan, and the ability to link the product to an Everyday Options Account to offset the loan for interest calculation purposes. There is also the ability to, without incurring an Early Payment Interest Adjustment:

- make unlimited additional repayments;
- 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 Standard Variable 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 who 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, construct, renovate or improve a residential property; – 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	<p>Customers who need a loan amount of over \$10,000 and a term of between 8 and 30 years. Over the life of the loan, customers who need one or more of the following:</p> <ul style="list-style-type: none"> – 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. <p>Customers can customise this product by making principal & interest repayments or interest-only repayments (for up to 5 years):</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Customers who choose to make principal & interest repayments will have one or more of the following needs:</p> <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. </td> <td style="width: 50%; vertical-align: top;"> <p>Customers who choose to make interest-only repayments will have one or more of the following short-term needs:</p> <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. </td> </tr> </table>	<p>Customers who choose to make principal & interest repayments will have one or more of the following needs:</p> <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. 	<p>Customers who choose to make interest-only repayments will have one or more of the following short-term needs:</p> <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.
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	<p>Customers can customise this product:</p> <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, 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 who have ongoing, regular and reliable income and meet the Bank's credit assessment requirements (including the ability to pay relevant fees and meet deposit requirements).		
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 Standard Variable 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;
- by customising the product with an interest offset account or as part of a package, customers have the ability to minimise the interest payable on their loan; and
- the product offers flexibility to cater for changing customer needs over the long term.

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

This product 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.suncorp.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.suncorp.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 2021 and will undergo an initial review 12 months later, with subsequent reviews occurring 24 months thereafter. We will also review this TMD if, in Suncorp Bank's view, any of the following events occur:

Review Triggers

- there is significant dealing outside the target market;
- there is a material and unexpected increase in the number of, or change in the nature of, complaints;
- there is a material and unexpected change in the volumes of applications and sales via a particular channel;
- there is a material and unexpected increase in early exits from the product (e.g. through refinances or product switches);
- there is a material and unexpected increase in fee income;
- there is a material change to the design and/or strategy of the product; or
- the distribution conditions have in Suncorp Bank's view been found to be inadequate.

An earlier review will also be conducted when other events or circumstances reasonably suggest that the TMD is no longer appropriate.

What information will the bank review?

Internal sources

To monitor for the review triggers above, Suncorp Bank will review the following information every month from internal sources:

- product and distribution monitoring metrics, including customer demographic, complaints information, number of applications received, and number of loan accounts opened;
- proportion of consumers who are not in the target market who have acquired the product during the reporting period;
- number of early exits from the product;
- fee income received by the Bank;
- variations in interest rates;
- number of monetary events of default and hardship claims within 12 months of issuing product;
- material changes to regulation or law which governs this product; and
- material changes to product documentation.

External sources

In addition, Suncorp Bank will require 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