



## Construction Home Loan

**Effective Date:** 10 February 2024  
**Issuer:** Australian Military Bank Ltd ABN 48 087 649 741, Australian Financial Services Licence and Australian Credit Licence Number 237 988

### What is a Target Market Determination?

The purpose of this Target Market Determination (TMD) is to describe:

- Who this product is designed for;
- How it is distributed;
- When this document will be reviewed; and
- What information is required to be provided to help maintain the accuracy of this document.

### Why do we have TMDs?

We are required to have TMDs, and to comply, with other responsibilities under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019. This ensures that our customers will obtain appropriate financial products and are at the centre of how we design and distribute our products.

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of the product terms and conditions. Any advice provided in this document is general advice only. It has been prepared without considering any person's particular objectives, financial situations or needs. More information about this product is contained in the relevant PDS, Loan Contract Terms & Conditions, Schedule of Fees and Charges, and other applicable disclosure documents.

### Target Market

Customers who are looking for a home loan to build or renovate, with the option to minimise expenditure during build phase through interest only repayments.

### Product Key Attributes

The table below matches the Product Attributes to the Objectives and Needs of the Target Market for this product.

Objectives and Needs	Product Attributes
Require a home loan for construction or renovation of a property	<ul style="list-style-type: none"><li>▪ Available for both owner occupied or investment purpose.</li><li>▪ Minimum loan amount is \$150,000.</li><li>▪ Maximum loan amount can be up to \$5,000,000.</li><li>▪ Maximum loan term is 2 years.</li></ul>
Seek financial benefit of interest only repayments	<ul style="list-style-type: none"><li>▪ Interest only repayments.</li><li>▪ Offers variable interest rate.</li></ul>
Require flexibility during construction phase	<ul style="list-style-type: none"><li>▪ Progressive draw down payments throughout construction period.</li><li>▪ Allows access to funding of up to 90% of property value.</li></ul>
Requires the ability to make flexible repayments	<ul style="list-style-type: none"><li>▪ Make extra repayments to pay off the loan faster without fee.</li><li>▪ Flexible repayment frequency; weekly, fortnightly, or monthly.</li></ul>
Require the ability to redraw funds as required	<ul style="list-style-type: none"><li>▪ This home loan account comes with a redraw feature that allows customers to withdraw extra payments they have made in addition to the minimum required repayments (conditions apply).</li></ul>
Reduce home loan repayments by using available scheme and subsidies	<ul style="list-style-type: none"><li>▪ Compatible with Defence Home Ownership Assistance Scheme (DHOAS) on owner occupied loans, subject to eligibility.</li><li>▪ Compatible with Home Guarantee Scheme (HGS), an Australian Government initiative to support eligible home buyers.</li></ul>



## Eligibility

Who is this product designed for	Who this product is Not designed for
<p>This product is designed for personal customers who are:</p> <ul style="list-style-type: none"> <li>✓ Looking to build or renovate an owner occupied or investment property;</li> <li>✓ aged 18 years or over;</li> <li>✓ able to meet our credit assessment criteria;</li> <li>✓ have regular income and are able to make regular repayments; and</li> <li>✓ is an Australian citizen or permanent resident and/or a New Zealand citizen who permanently live and work in Australia</li> </ul>	<p>This product is not designed for customers who:</p> <ul style="list-style-type: none"> <li>✗ do not meet credit assessment criteria, including the ability to make regular repayments;</li> <li>✗ looking for fixed repayments over the loan term;</li> <li>✗ are looking to leverage an offset account;</li> <li>✗ looking to build commercial property; or</li> <li>✗ under 18 years of age.</li> </ul>

## Distribution Conditions

The table below outlines the distribution channels where the product can be sold and sets out the conditions that apply to each channel.

Distribution Channel	Conditions that make product distribution through the channel appropriate
Assisted channels (e.g. in branch, over the phone, with a relationship manager or mobile banker)	<p>Our people who distribute this product:</p> <ul style="list-style-type: none"> <li>▪ are trained on product features, rates / fees, benefits, associated target markets and regulatory obligations;</li> <li>▪ have access to product materials and tools such as repayment calculator;</li> <li>▪ follow a process to review application eligibility and credit assessment.</li> </ul>
Online channels (e.g. our website, internet banking and mobile banking app)	<p>Our online channels provide customers with:</p> <ul style="list-style-type: none"> <li>▪ information about the products with a summary of key benefits, interest rates and fees as well as relevant disclosure documents to assist in making a decision about the most suitable product for their needs;</li> <li>▪ home loan calculators to estimate their borrowing, repayments, and other costs of buying a property; and</li> <li>▪ the option to start the application process online, however it cannot be fully distributed online. The application will be directed to assisted channels to complete.</li> </ul>
Third party brokers	<p>We allow this product to be distributed by approved third party brokers who:</p> <ul style="list-style-type: none"> <li>▪ hold appropriate qualifications, industry membership, authorisations to engage in credit activities as well as completion of background checks;</li> <li>▪ are trained on the product features, rates / fees, benefits, associated target markets;</li> <li>▪ follow a process to review application eligibility and credit assessment;</li> <li>▪ are monitored through assurance programs; and</li> <li>▪ if the broker fails to comply with the above requirements, we may terminate their authority to distribute this product.</li> </ul>
Aggregators	We may use comparison websites that provide a link to our website.



## Reviewing this document

We will review this TMD every two years, and where an event or circumstance occurs that may suggest that the TMD is no longer appropriate ('Review Triggers'), as follows:

Information Type	Description
Customer outcomes	<ul style="list-style-type: none"><li>High rates of default.</li><li>High hardship rates.</li><li>Evidence of being sold to vulnerable customers.</li></ul>
Complaints	<ul style="list-style-type: none"><li>Trends in feedback or complaints received from customers who use this product.</li></ul>
Changes to the Product	<ul style="list-style-type: none"><li>Material changes are made to the product, rates and/or fees.</li><li>Significant changes are required to product terms and conditions.</li><li>Material changes to the credit assessment criteria.</li><li>Changes to the way the product is distributed.</li></ul>
Incident data	<ul style="list-style-type: none"><li>A material incident, or a number of significant incidents, that relate to the design or distribution of the product that identify potential, or actual, breaches of our legal or regulatory obligations.</li></ul>
Significant dealings	<ul style="list-style-type: none"><li>Any significant dealing to customers who are outside of the Target Market.</li></ul>
Notification from ASIC	<ul style="list-style-type: none"><li>ASIC issuing a product intervention power order requiring us to immediately cease issuing or distributing this product.</li></ul>

## Reporting Requirements

Australian Military Bank will collate and report internally on the following:

Information Type	Time Frame
Product related complaints and feedback	Quarterly
If there is a significant dealing with the product which is inconsistent with the TMD based on: <ul style="list-style-type: none"><li>Proportion of customers not in the target market.</li><li>Actual or potential harm to customers, including amount of loss.</li><li>Nature and extent of inconsistency of distribution to the target market determination.</li></ul>	Within 10 business days of becoming aware of such dealing.

## Questions?

If you have any questions about our products or this TMD, please contact us on 1300 13 23 28 or email us at [service@australianmilitarybank.com.au](mailto:service@australianmilitarybank.com.au).