

# Target Market Determination

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## StrataLoans

**Issued by StrataCash Management Pty Ltd**

**ABN 44 124 400 924**

**AFSL and Australian Credit Licence 323823**

**Effective date: 7 March 2022**

## **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 StrataLoans 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.

## **Periodic Review of this TMD**

This TMD will be reviewed within 24 months from the completion of the last TMD review.

## **Target Market**

### **Objectives, financial situation and needs**

This product is designed for strata corporations (also known as owners corporations or bodies corporate) who want to borrow money for any purpose permitted by legislation.

The likely financial situation of the Target Market for this product are those that meet our credit assessment criteria.

This product is not for individual lot owners seeking to borrow money relating to their own property maintenance or refurbishment.

### **Eligibility criteria for the product**

Customers will need to satisfy certain eligibility criteria, including that customers must:

- Be an Australian strata corporation or similar
- Be able to meet our credit criteria.

## Product Description

A multi-drawdown capable facility via a single loan, provided unsecured to the strata corporation.

### Key attributes of this product

- Unsecured loan to the customer
- Single loan with capability to have multiple drawdowns
- Variable loan interest rate option
  - Appropriate for customer who want to benefit from future interest rate reductions.
  - Customers need to consider that interest rates increase as well as decrease and this may result in increased loan repayments.
- Fixed loan interest rate option
  - Appropriate for customers who want certainty of the repayment amount for a up to two years.
  - Customers need to be aware that break cost fees may be charged if, during a fixed interest period, the loan is changed to a variable interest rate or repaid early. At the end of the fixed interest period the loan will revert to a variable loan interest rate.
- Principal and interest repayments
  - This is the standard option available and is for customers who want to pay off their principal in addition to their monthly interest payments.
- Interest only repayments
  - Appropriate for those customers that wish to reduce their repayments for a up to two years.
  - Customers need to be aware that delaying the repayment of principal may result in customers paying more interest over the term of the loan as well as higher repayments after the interest only period.

### 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 because customers can fund their upcoming requirements without the need for a special levy.

## Distribution Conditions

This product is only distributed through StrataCash Management Pty Ltd and should only be distributed if a consumer meets the eligibility criteria for this product and meets internal credit criteria.

We have assessed that the distribution conditions and restrictions will make it likely that consumers who acquire the product are in the target market and will direct distribution towards the class of consumer for whom the product has been designed.

## 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 product appropriateness
- there is a material change to the product attributes, fees, charges, terms and conditions or the manner of distribution; or
- there is a Significant Dealing in this product which is inconsistent with the Target Market.

## Information Reporting Requirements

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

StrataLoans 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.