



TARGET MARKET DETERMINATION

Issuer	<i>GOLDEN LOANS NOW PTY LTD</i>
Issuer ABN	<i>96 141 873 743</i>
Issuer ACL	<i>391339</i>
Product	<i>Loan Contract and Mortgage above \$2000 (“the Product”)</i>
Date TMD approved	<i>16/09/2021</i>
TMD Version	<i>1</i>
TMD Status	Current

Purpose of this Document

The purpose of this Target Market Determination (“TMD”) is to comply with the Design and Distribution Obligations incorporated under Chapter 7 of the *Corporations Act 2001 (“the Act”)* by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019*.

The TMD aims to provide consumers and distributors with information about the class of consumers that comprises the target market for the Product, taking into account their objectives, financial situation and needs. It also specifies any Product distribution conditions and restrictions and deals with reviews of the TMD as well as distributor arrangements.

Legal Disclaimer

This document is not a credit disclosure document and does not include all relevant terms and conditions associated with this Product. It does not take into account any person’s individual objectives, financial situation or needs. Individuals interested in making use of this product should carefully read the Issuer’s Credit Guide and any other disclosure documents before making a decision whether to use this Product.

Description of Target Market

This section is required under section 994B(5)(b) of the Act.

Target Market Summary

This Product is likely to be appropriate for a consumer who is *seeking an amount of credit over \$2,000 repayable over a period greater than of 1 year with a maximum term of 7 years, for the primary purpose of personal use, other than for Gambling or illegal activity.*

The target market has been established by assessing the Product (including its key attributes) and the consumer objectives, financial situation and needs for which the Product is likely to be appropriate. The class of consumers who fall within the target market for the Product is described below, based on the objectives, financial situation and needs of the consumer and the key attributes of the Product.

Description of Consumer Objectives, Financial situation and Needs

This Product is suitable for persons who:

- *Derived benefit from the purchase, has an going income source to support the agreed repayment and is NOT expecting their situation to change in the immediate future where it may impact the ability to pay. eg requires a loan over \$2,000 repayable over a period greater than 1 year for a suitable purpose, is able to service the loan, establishment fee and monthly fees as they accrue.*

Excluded Classes of Consumers

This Product is unsuitable for persons:

- Who do not qualify under the responsible lending requirements imposed by the *National Consumer Credit Protection Act 2009* ("National Credit Act"), will be unable to comply with their financial obligations under the Product terms, or could only comply with substantial hardship.
- For whom the Product will not meet their requirements or needs.
- *For consumers who are under 18 years of age, receive more than 50% of their income from government benefits such as AbStudy, Austudy Job Keeper Unemployment and or live in Very remote regions of Australia according to Australian Bureau*
- *Behttps://www.abs.gov.au/ausstats/abs@.nsf/mf/1270.0.55.005*
- *Current bankruptcy Part 10, disqualification or unlicensed drivers relevant to the item being financed that may indicate the Product is unlikely to meet the consumer class objectives, financial situation and needs can't be substantiated.*

Description of Product and Key Attributes

The key attributes of this Product are:

- *term of the loan between 1-7 years , payment structure weekly fortnightly monthly, seasonal.*
- *Payments can be made over the counter at Bank, internet banking or by Direct Debit.*
- *Fees locked in for term of loan. No early termination fees or charges, allowing early payout.*
- *Loan Security can be changed avoiding payment establishment fees twice.*
- *Redraw facility to assist in maintaining loan security.*

Product and Target Market Consistency

The Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market based on the following:

- *The attributes of the Product meet the needs of the class of consumers identified through a loan application which has been modified over a period of 28 years and how this was established while assessing the objectives applicants request and then the information required to supply the loan Product and insurance including its key attributes likely to be consistent with the objectives, financial situation and needs of consumers in the target market. It is based on an analysis of the attributes and characteristics of the product and establishing that they are consistent with the likely requirements of consumers in the target market.*

Distribution Conditions and Restrictions

This section is required under s994B(5)(c).

Distribution Methods

This product is distributed through the following channels:

- *face-to-face contact and online using email and docusign, by credit representatives, Licenced finance Brokers.*

Distribution Conditions

This product is distributed subject to the following conditions and requirements:

- *Distribution conditions, Golden Loans Now is not to be used for targeted advertising, or providing specific content about the Products on the Issuer's website, including lending guidelines, without first consulting and having the wording and content approved by the Credit Licence holder. Golden Loans Now Pty Ltd must firstly be introduced electronically using credit guide / quote proposal and privacy documents. The use of call centre and staff must have scripts specific to the Product to individuals that meet eligibility requirements, targeting individuals that have the appropriate borrowing capacity, and providing lending guidelines. Ongoing training for external distributors on the financial products will be supplied*
- *to ensure that the products are sold in accordance with the TMD: see s994B(5)(c) and 994B(8)(a)]*

Factors Considered

In assessing the appropriateness of the distribution methods, conditions and restrictions, the Issuer has taken into account the following factors:

- The comparatively wide target market for the Product
- The Issuer's ability to restrict distribution by providing sufficient lending guidelines and eligibility requirements
- The Issuer's ability to manage the distribution channels
- The capability of existing distribution methods to reach the intended target market, based on past outcomes
- *As an example, a practicing certified broker has done KYC diligence, has been authorised as a credit representative and capable of forwarding factual information, with the integrity of existing and prospective distribution methods laid out by similar industry lenders. For example, Golden Loans Now Pty Ltd may consider previous instances where a product was issued through a specific distribution method / aggregation model as part of its assessment to determine the appropriateness of that distribution method.*

Reviewing the TMD

The Issuer will review this TMD as follows:

Review Triggers

This part is required under section 994B(5)(d) of the Act.

If events or circumstances occur that would reasonably suggest that the TMD is no longer appropriate, the Issuer will review the TMD. This may include:

- an event or circumstance that would materially change a factor taken into account in making the target market determination for the Product. *eg an external event such as COVID or Stock Market Crash or a change in regulation, a substantial change in government benefits schemes rules resulting in reduced consumer income, Issues with significant weather events.*
- a material change to the design or distribution of the Product
- a significant dealing in the Product that is not consistent with the product's TMD
- the nature and extent of any feedback received from distributors or users of the product *eg increased number of customer requesting deferred payments for specific reasons, significant changes in customer complaints.*
- experiencing significant regulatory issues with industry bodies or government entities *eg ASIC AFCA investigations*

Mandatory Review Periods

This part is required under section 994B(5)(e) and (f) of the Act.

Initial Review: This TMD will be reviewed within *[insert number of months/years]* of the TMD approved date.

Periodic Reviews: This TMD will be reviewed at least every *[number of years]* from the initial review date.

Distributors: Reporting & Required Information

This part is required under s994B(5)(g) & (h).

Complaints

Distributors are required to report and detail in writing all complaints in relation to the Product covered by this TMD to the Issuer every *complaint, same day as being received.*

Significant Dealings

Distributors are required to report any significant dealing in the Product that is not consistent with this TMD, within 10 business days.

[Other information]

Any referrer that uses distribution information with Golden Loans Now Pty Ltd included is required to collect and pass on information relevant to the application. If there is any abnormalities with paperwork or loan process the distributors must specify / report to the Issuer if any issue is identified whether the TMD needs to be reviewed, transaction data is incorrect, outcomes from marketing practices aren't reaching the target market.

Appropriateness of the TMD

This section is required under s994B(5)(c) and s994B(8)(a) &(b).

The Issuer has reviewed the Product and its key attributes by considering its purpose, past outcomes and likely future outcomes, and has reasonably concluded that the Product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, when offered to the consumer in accordance with the distribution conditions listed above. The comparatively wide target market of the Issuer has been a factor in assessing why the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed.

Disclaimer: This suggested template should not be regarded as legal advice but rather as general guidance on the necessary inclusions on the Target Market Determination (TMD) required by the Design and Distribution obligations (incorporated under Ch 7 of the *Corporations Act 2001* by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019*). Users should complete the document based on their own products, target market and distribution approach. It is recommended that users obtain financial and/or accounting advice as required.

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