

Target Market Determinations - Flexi Evergreen

Legal Disclaimer:

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of customers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Brighten Home Loans Pty Ltd ACN 620 839 983 (**Brighten**) design and distribution arrangements for the product.

This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. The information contained in this TMD does not take into account any person's individual objectives, financial situation or needs.

Product	Flexi Evergreen
Issuer	Brighten Home Loans Pty Ltd ACN 620 839 983
Date of TMD	5 October 2021 Updated on 22 December 2023
Target Market	<p>Description of target market</p> <p>The above product is for all loans secured over established residential property. The product is available for purchases, refinances, and equity releases for a term of up to 30 years for variable rates and 1-3 year fixed rates. Repayments may be principal & interest or interest only up to 5 years.</p> <p>The target market of the product includes salaried employees, investors and self-employed individuals, including non-Australian residents, as well as Australian registered companies.</p> <p>The product is acceptable for the following applicants:</p> <ul style="list-style-type: none"> Applications from salaried employees, investors and self-employed individuals, as well as Australian registered companies supported by a guarantee from each of the directors. <ul style="list-style-type: none"> Salaried employees must demonstrate a minimum of 12 months in their job or the last 2 years in the same industry. Self-employed applicants must demonstrate a minimum of the last 2 years deriving such income. We will not accept applications from Politically Exposed Persons or from applicants located in countries identified by FATF as having AML/CTF deficiencies. All applicants who do not reside in Australia must provide evidence of approval from FIRB or establish that their acquisition is exempt from approval. <p>Residents from the following list of countries can be considered for this product:</p> <ul style="list-style-type: none"> Australia, Brazil, Canada, China, France, Germany, Hong Kong SAR, Indonesia, Malaysia, Japan, Macau SAR, Qatar, New Zealand, Saudi Arabia, Singapore, South Africa, South Korea, Switzerland, Taiwan, United Arab Emirates, United Kingdom, USA, Vietnam. <p>Description of product, including key attributes</p> <p>Information about the product's specifications is set out below:</p> <ul style="list-style-type: none"> Purpose of the loan to purchase, refinance, or equity release of an owner occupied or investment property; Repayment types include principal and interest or interest only; Customer's choice of a variable rate or a fixed rate for 1 to 3 years;

- Interest only periods of a maximum of 5 years;
- 100% offset facility included;
- Up to 5 loan splits with fixed rate portions not more than 50%;
- Maximum LVR of 80%
- Apartments, townhouses and detached houses in ALL Australian States including Tasmania;
- Up to 30 years loan term;
- Interest Only Repayment available for up to 5 years;
- Complimentary pre-assessment and conditional written approval;
- Genuine Alt Doc solution available to all Sel-Employed borrowers;
- Available to Non-residents of Australia – No translation required for documents in Chinese; and
- Online access through the Brighten Home Loans portal.

There are requirements as to the loan amount for this product:

Minimum Loan Amount

- The minimum loan amount for a new customer is \$150,000. In cases where a borrower seeks a new facility and has an existing loan with Brighten, a smaller loan amount may be considered.

Maximum Loan Amount

- The maximum loan amount per individual security property is \$2,000,000.

Aggregation of loans

- Facilities that involve related parties must be aggregated as a single group for application assessment purposes. The maximum lending exposure for an individual borrower (without the consent of the credit committee) is \$3,000,000.

Description of likely objectives, financial situation and needs of customers in the target market

This product is designed for customers who are:

- Seeking to purchase residential property within Australia for either owner occupation or investment purposes;
- Seeking to refinance residential property within Australia for either owner occupation or investment purposes;
- Seeking to consolidate debt (i.e. credit cards, person loans, business loans, etc.);
- Seeking to make non-structural home improvements;
- Seeking to make an "Off the Plan" purchase;
- Seeking to get a business loan;
- Seeking to acquire non-real estate investment (shares, managed funds, etc.);
- Seeking finance for general customer purposes (ie. car, holiday, etc.);
- If the customer chooses a variable rate, seeking flexibility to make extra payments without a fee; seeking flexibility to redraw funds as required; seeking additional features on their home loan (i.e. offset account);
- If the customer chooses a fixed rate option, seeking the certainty of a fixed interest rate; seeking the certainty of fixed repayments over the term of the loan; and
- The customer would need to meet Brighten's credit assessment and AML/CTF requirements.

Classes of customers for whom the product is clearly unsuitable

We will not accept applications from Politically Exposed Person or from applications located in countries identified by FATF as having AML/CTF deficiencies.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market

	<p>This product is likely to be consistent with the likely objectives, financial situations and needs of the customers within the target market as it is a simple loan construct to understand:</p> <ul style="list-style-type: none"> Options of variable interest rates or fixed rate periods up to 3 years; and Repayments of principal and interest or interest only up to 5 years. <p>To be eligible to purchase this product, requirements must be met in relation to:</p> <ul style="list-style-type: none"> Employment; Income; and Positive credit reports, <p>which would mean that, without exceptional circumstances, the Borrowers will be able to meet their repayment obligations.</p> <p>Customers will need to also provide sufficient security in accordance with Brighten's credit assessment criteria, including:</p> <ul style="list-style-type: none"> Acceptable property mortgage; General or specific security agreements; and/or Guarantor who supports the loan by providing additional security. <p>The financial situation of the Target Market are customers that meet Brighten's credit assessment criteria which includes:</p> <ul style="list-style-type: none"> Demonstrating the capacity to make the required repayments and the ability to pay off the loan without substantial hardship; and Where determined by Brighten to be required, (based on the customer's security, applicant and loan attributes), have an acceptable guarantor. <p>Brighten considers its processes in place, including assessing the customer's ability to service the loan account, will mean that the product will likely be consistent with the financial situation of the Target Market.</p>
Distribution Conditions	<p><i>Distribution conditions</i></p> <p>The main distribution channel for this product is through third party distributors, being mortgage brokers, mortgage managers, and aggregator panels (Distribution Partners).</p> <p>The distribution conditions which Distribution Partners must comply with include ensuring that potential customers within the target market meet the eligibility requirements for the product.</p> <p>In order to distribute this product to a potential customer within the target market, the customer must not:</p> <ol style="list-style-type: none"> Fall into a class of customers set out under the above heading, "<i>Classes of customers for whom the product is clearly unsuitable</i>"; or Provide an unacceptable security type. <p>Further eligibility requirements to purchase this product include:</p> <ol style="list-style-type: none"> Employment requirements of the target market; and Income requirements of the target market. <p><i>Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market</i></p> <p>Brighten monitors the quality and content of applications received from its Distribution Partners for trends and patterns of unacceptable practices or just poor quality and/or incomplete loan applications. Feedback is given, if and when needed. Brighten's distributing Mortgage Brokers and Mortgage Managers are all party to agreements that contain commission or fee claw back clauses for unacceptable loans, poor performing loans, fraud</p>

	and AML/CTF issues amongst other criteria. Brighten also reserves the right in these agreements to terminate Brokers for any reason on two weeks' notice.																				
Review Triggers	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none">• A significant dealing of the product to customers outside the target market occurs;• A significant number of complaints or dissatisfaction by the customers in relation to Distribution Partners;• A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate;• A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate;• Hindsight reviews indicate that the product has been sold to classes of customers for whom the product is clearly unsuitable; Material changes to the regulatory environment or relevant legislation which materially impacts upon the design and distribution of the product;• Inquiry or action by ASIC or another regulator as to the design or distribution of the product;• Descriptions or attributes contained in this TMD are found to include materially incorrect or misleading information;• The extent and nature of any negative feedback from Distribution Partners indicating that they are unable to sell the product to eligible customers within the target market;• The extent and nature of any negative feedback from Borrowers indicating that they are dissatisfied with the products;• High rates of default by the customers in the target market; and• Customers of the target market seeking to switch to other loan products.• Any other event or circumstance which reasonably suggests that the TMD is no longer appropriate.																				
Review Periods	<p>First review date: 5 April 2022</p> <p>Periodic reviews: Every 12 months, and in the event it comes to our knowledge that a review trigger is triggered or that the product is not meeting the target market.</p>																				
Distribution Information Reporting Requirements	<p>The following information must be provided to Brighten by distributors who engage in retail product distribution conduct in relation to this product:</p> <table><tr><th>Type of Information</th><th>Description</th><th>Reporting period</th></tr><tr><td>Customer Complaints</td><td>Number of complaints received in relation to the product</td><td>Every 6 months</td></tr><tr><td>Broker Complaints</td><td>The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market</td><td>Every 6 months</td></tr><tr><td>Significant dealing(s)</td><td>Date or date range of the significant dealing(s) and description of the significant dealing (ie. why it is not consistent with the TMD)</td><td>As soon as practicable, and in any case within 10 business days after becoming aware</td></tr><tr><td>Application details</td><td>The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity to ensure that eligible customers are purchasing the product.</td><td>As soon as practicable</td></tr><tr><td>Dealings outside of the target market</td><td>To the extent a broker is aware of dealings outside of the target market, these should</td><td>Within 10 business days</td></tr></table>			Type of Information	Description	Reporting period	Customer Complaints	Number of complaints received in relation to the product	Every 6 months	Broker Complaints	The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market	Every 6 months	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (ie. why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware	Application details	The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity to ensure that eligible customers are purchasing the product.	As soon as practicable	Dealings outside of the target market	To the extent a broker is aware of dealings outside of the target market, these should	Within 10 business days
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		be reported to Brighten, including the reason why acquisition is outside of target market	
	Customer payment default	Customers within the target market are unable to meet their loan repayments	As soon as Practicable
	Customer dissatisfaction with the product	The customer inquiring to change the product or making complaints about it	Every 6 months