



# Target Market Determination

for Optimiser BC Freedom (Variable & Fixed Rate)

Product	BC Freedom (Variable & Fixed Rate)
Issuer	<ul style="list-style-type: none"><li>• BC Securities Pty Ltd</li><li>• ACN: 609 155 688</li><li>• Australian Credit Licence number: 482240</li></ul>
Version	3.0
Date of TMD	31 March 2024
Target Market	<p><i>Description of target market, including likely objectives, financial situation and needs</i></p> <p>The features of this product have been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none"><li>• meet the eligibility criteria, including:<ul style="list-style-type: none"><li>o being a non-resident of Australia; and</li><li>o having a satisfactory credit rating;</li></ul></li><li>• are:<ul style="list-style-type: none"><li>o self-employed; or</li><li>o salaried employees;</li></ul></li><li>• require a loan to fund the purchase or refinance of an owner occupied or investment residential property;</li><li>• require the option of a Full or Alt Doc;</li><li>• require the option of a variable or fixed interest rate;</li><li>• require the option of either principal and interest or interest only repayments.</li></ul> <p><i>Variable Rate</i></p> <p>Whilst variable interest rates may fluctuate, the product meets the likely objectives, financial situation and needs of consumers in the target market because it provides consumers with the ability to make additional repayments and/or deposit funds into a sub-offset account to reduce interest payable whilst retaining the ability to draw on those funds when required.</p> <p><i>Fixed Rate</i></p> <p>Whilst the product has a limit on additional repayments the product meets the likely objectives, financial situation and needs of consumers in the target market because the fixed rate provides certainty of repayments during the fixed period, making consumer budgeting easier.</p> <p><i>Owner Occupied Residential Property</i></p>

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	<p>This product allows consumers to finance the purchase or refinance of an owner-occupied residential property with the ability to select principal and interest or interest only repayments.</p> <p><i>Investment Residential Property</i></p> <p>This product allows consumers to finance the purchase or refinance of an investment property to earn rental income whilst providing consumers with the ability to select principal and interest repayments in order to reduce the overall debt and build equity or interest only for tax purposes.</p>	
Product Description	<b>Key Attributes</b>	
	Security property	Residential
	Maximum loan term	25 years
	Maximum LVR	75%
	Minimum loan amount	\$150,000
	Maximum loan amount	\$2,000,000
	Maximum single borrower exposure	\$3,000,000
	Repayment type	<ul style="list-style-type: none"> <li>● Principal &amp; Interest</li> <li>● Interest Only</li> </ul>
	Fixed rate options	1 – 3 years
	Fixed rate premium	Yes (varies by years)
	Interest only premium	Yes
	Maximum IO period	5 years
	Alt Doc premium	Yes
	Alt Doc option	Yes
	Large Loan Premium	Yes
	Offset account	Yes
	Offset account premium	No
	Redraw	Yes, within facility limit
	Security location	Metro & non-metro considered
	Security	1 <sup>st</sup> registered real property mortgage
	Application fee	Payable
	Risk fee	Payable
	Legal fee	Payable plus disbursements
	Annual package fee	Payable
	Discharge fee	Payable
	<b>Classes of consumers for whom the product may not be suitable</b>	

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	<p>This product may not be suitable for consumers who</p> <ul style="list-style-type: none"> <li>do not meet the issuer's eligibility criteria;</li> <li>are Australian residents.</li> </ul>	
Distribution Conditions	<p>The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <ul style="list-style-type: none"> <li>Mortgage Managers – must be authorised to distribute this product under a Mortgage Origination and Management Agreement; and</li> <li>Mortgage brokers (subject to BID) – must be accredited by BC Invest to distribute this product</li> </ul> <p>The distribution channels and conditions are appropriate because our distributors are:</p> <ul style="list-style-type: none"> <li>subject to a higher duty under BID (mortgage brokers) to ensure that the product is in the best interests of the particular consumer</li> <li>provided with detailed product specifications to enable assessment of customer suitability and eligibility;</li> <li>trained on the BC Invest Credit Policy to support the introduction of customers and loan proposals that are consistent with this TMD and within our Credit Policy eligibility criteria;</li> <li>applications submitted by the Distribution partners include a Cover Sheet, Credit Notes and recommendation for consideration by the BC Invest Credit Officer;</li> <li>each application is assessed to ensure the application and customers eligibility and situation is appropriate for the loan applied for and consistent with this TMD; and</li> <li>loan applications are not accepted from distribution channels that are not formally authorised by the issuer.</li> </ul>	
Review Triggers	<p>The following review triggers would reasonably suggest that the TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> <li>A significant dealing of the product to consumers outside the target market occurs;</li> <li>A consistent and regular number of complaints are received from consumers in relation to the product;</li> <li>Material changes are made to the product specification, including features, fees and BC Invest Credit Policy will trigger a review of the product TMD;</li> <li>There are high rates of refinance from BC Invest for this product;</li> <li>There are high default rates; and</li> <li>There are material regulatory changes or updated regulator guidance that may affect the TMD.</li> </ul>	
Review Periods	Next Review	March 2025

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	Review period	Annually (end March each year)	
	Trigger Review	Within 10 business days of the identification of a trigger event.	
Distribution Information Reporting Requirements	The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:		
	Type of Information	Description	Reporting Period
	Specific complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
	General information about complaints	Number complaints	Every 6 months (end September & March)
	Significant dealing(s) where the distributor believes that a significant number of customers outside the target market are obtaining this product	Date or date range of the significant dealing(s) and description of the significant dealing	As soon as practicable, and in any case within 10 business days after becoming aware

This document should not be taken as financial product advice and has been prepared as general information only without consideration for your particular objectives, financial circumstances or needs. More information about the product can be found on our website, or in your loan contract.