

PROGRESSIVE MORTGAGE COMPANY LIMITED

TARGET MARKET DETERMINATION: CONSUMER CREDIT LOANS

This document is not a substitute for a loan's terms and conditions or other disclosure documents. Customers must refer to these documents when deciding about this product.

This *target market determination* ("TMD") is required under Division 2 of Pt 7.8A of the Corporations Act 2001 (Cth) and describes the class of customer for whom Progressive Mortgage Company Limited consumer credit loans¹ would likely be suitable ('target market'), how these products are distributed, and arrangements for review.

Credit Provider and Issuer

Progressive Mortgage Company Limited, ABN 88 000 192 012, AFSL/ ACL 269822

Description of Product

Progressive's consumer credit loans are for personal or residential investment finance secured by mortgages of real property with the following characteristics:

- Interest rate fixed for one to two years.
- Interest calculated on daily balances in arrears.
- Principal and interest or interest only repayments.
- Loan-to-value ratio maximum 80% for reducing balance loans and 70% for interest only loans.
- Loan terms from 1-3 years with an offer to extend usually offered before the end of the term.

Target Market

Individuals aged 18 or over seeking finance or to refinance for personal or residential investment purposes, and who can offer real property as first mortgage security, and satisfy Progressive's credit assessment criteria.

Likely Objectives and Needs

Progressive consumer credit loans would likely be suitable for individuals seeking finance for personal or residential investment purposes and:

- Protection against short term changes in interest rates and repayments.
- No ongoing fees.
- Flexible repayment options.
- No limit on additional repayments.

Likely Financial Situation

A person acquiring this product would:

- Have real property security to offer of sufficient value for a loan to value ratio of not more than 80%.
- Demonstrate capacity to repay the loan allowing for increases in interest rates.
- Have an acceptable credit history.

How these products are suitable for the target market

Progressive's consumer credit loans are consistent with the target market described above:

Mortgage finance provided for **personal or residential investment** purposes;

Loans are **secured against real property**;

Interest rates are fixed for one or two years; variable rates are not offered;

No account-keeping fees;

No limit on additional repayments subject to an early repayment fee of no more than one month's interest on the additional amount repaid.

Distribution

Progressive does not use intermediaries to distribute this product. Applications with supporting documentation are processed by appropriately trained staff. A credit assessment is made by experienced staff, and finance will not be provided if a loan is assessed to be unsuitable for the applicant. No further distribution conditions are considered necessary to ensure that Progressive's credit code loans are distributed to the target market as described above.

Review

The TMD will be reviewed every two years and within 10 days of the Company becoming aware of any event or circumstance that would reasonably suggest that the TMD is no longer appropriate including:

- A significant change in product specifications;
- Change in financial situation of the company or prevailing economic conditions materially affecting the risk profile of these products;
- Change in laws or regulations governing the form and content of this document;
- A significant number of complaints in relation to the product;
- A significant dealing in this product which is inconsistent with the TMD;
- Any other event likely to materially affect the suitability of Progressive consumer credit loans for the target market as described in this document.

ⁱ Loans regulated under the *National Consumer Credit Protection Act 2009*