

# Target Market Determination (TMD)

## ➤ Construction Loan

<b>Product</b>	Construction Loan
<b>Issuer</b>	Qudos Mutual Limited trading as Qudos Bank ABN 53 087 650 557 AFSL/Australian Credit Licence 238 305
<b>Date of TMD</b>	5 October 2023
<b>Target Market</b>	<p><b>Description of target market</b></p> <p><b>Retail clients who:</b></p> <ul style="list-style-type: none"> <li>› are aged 18 years or more and meet the credit assessment criteria for the product</li> <li>› are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan</li> <li>› need an interest only period to complete the construction of a home before commencing principal and interest reductions</li> <li>› need other features that are included e.g., progressive draw downs, mortgage offset account</li> <li>› are building a new property on land their either own or are also purchasing</li> <li>› are undertaking structural changes/renovations to their existing property</li> </ul> <p><b>Description of product, including key attributes</b></p> <p><b>This is a Construction Loan. The key attributes are:</b></p> <ul style="list-style-type: none"> <li>› loan amounts from \$150,000</li> <li>› loan terms of up to 30 years</li> <li>› Interest only for construction period</li> <li>› variable Interest rate</li> <li>› minimum deposit 10%</li> <li>› owner occupied or investment</li> <li>› repayments frequency during construction period is monthly, with the option to switch to weekly/fortnightly/monthly afterwards</li> <li>› 100% loan offset account available after construction completion</li> <li>› redraw available after construction completion</li> <li>› must provide a registered first mortgage over real property or other acceptable security</li> </ul> <p><b>This product is not suitable for retail clients who:</b></p> <ul style="list-style-type: none"> <li>› are seeking a fixed interest rate</li> </ul>

<p><b>Distribution Conditions</b></p>	<p><b>Distribution conditions</b></p> <p>This product is distributed directly by Qudos Bank through the following channels:</p> <ul style="list-style-type: none"> <li>&gt; branches</li> <li>&gt; call centres</li> <li>&gt; online</li> <li>&gt; mobile lenders</li> </ul> <p>This product can also be distributed by mortgage brokers approved by Qudos Bank (approved distributors).</p> <p><b>Distribution conditions for this product include:</b></p> <ul style="list-style-type: none"> <li>&gt; ensuring that clients meet the eligibility requirements for the product</li> <li>&gt; ensuring that distribution through branches, mobile lenders and call centres is by appropriately trained staff</li> </ul> <p>There are no other approved distributors for this product.</p>
<p><b>Review Triggers</b></p>	<p><b>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</b></p> <ul style="list-style-type: none"> <li>&gt; a significant dealing of the product to consumers outside the target market occurs</li> <li>&gt; 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</li> <li>&gt; 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</li> </ul> <p>Qudos Bank's Product Governance Framework includes regular consideration of whether there has been a review trigger following each distribution information report.</p>
<p><b>Period Reviews</b></p>	<p>At least every 12 months from the date of this TMD.</p>

## Distribution Reporting Requirements

The following information must be provided to Qudos Bank by distributors who engage in retail product distribution conduct in relation to this product, by email to [DDOreporting@qudosbank.com.au](mailto:DDOreporting@qudosbank.com.au):

Type of information	Description	Reporting period
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g, why it is not consistent with the TMD).	As soon as practicable, and in any case within 10 business days after becoming aware.
Complaints	Number of complaints in relation to this TMD.  This will include written details of the complaints.	Every 3 months, within 10 business days of the end of each calendar quarter.
Sales <b>outside</b> the target market	Number of sales \$ value of sales.	Every 3 months, within 10 business days of the end of each calendar quarter.

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