Gold Commercial Variable Rate Lease Doc Loan

	TARGET MARKET DETERMINATION
Product Name:	Gold Commercial Variable Rate Lease Doc Loan
Version	Version - 1.0
Issuer	BNK Banking Corporation Limited (BNK) ABN: 63 087 651 849 AFSL/Australian Credit Licence 246884
Manager	Better Choice Home Loans Pty Ltd ABN 79 095 728 868 Australian Credit Licence 378333
Effective Date	5th October 2021

Target Market	**Objectives, financial situation and needs of the Target Market**
	This product is targeted at Investor customers with the likely objectives and needs of wanting a fully featured Commercial Lease Doc loan for commercial income producing properties with a variable interest rate for any of the following purposes:
	• Purchasing
	• Refinancing
	• Accessing equity in an established commercial investment property
	• Cash Out up to 25% of the total loan amount for business or investment purposes
	Acceptable Securities:
	• Retail premises - for example shops, shopping centres
	• Offices including professional suites; or
	• Industrial premises - for example warehouses, garages, industrial sheds.
	The financial situation of the target market for this product are those that meet Better Choice's credit assessment criteria.
	Eligibility criteria for the product
	Applicants must be a natural person and be over 18 years of age.
	Applicants can be either:
	• Australian or New Zealand citizen or that hold permanent Australian or New Zealand residency status and are residing in Australia. At least one applicant must be a Australian citizen or hold permanent Australian residency
	And
	• Sole traders or individuals
	• Companies with 5 or less directors.
	• Discretionary Trusts or Family Trusts
	Income Documentation:
	• Satisfactory lease agreement for the proposed security property in a registrable format.
	  ○ Lease must have at least 24 months remaining.
	  ○ Lease must be at arms-length to a third party.
	• Where the property will not be tenanted until after settlement, a copy of the fully executed lease and evidence of the bond being paid is required prior to settlement.
	  ○ A draft lease will be acceptable prior to formal approval.
	<u>Note</u>:
	No payslips, tax returns / financials or bank statements are required for this product

	Key features of the product • A variable interest rate, which means repayments will vary based on changes to the interest rate • Principal & Interest or Interest Only repayments (up to 5 years) • Unlimited additional repayments without penalty • Loan term: 5 to 25 years • Redraw available from additional repayments • Minimum loan size: $50,000 • Maximum loan size: $2,000,000 • Maximum LVR: 65% LVR
Distribution Conditions	The Product can only be distributed by: • Accredited mortgage brokers directly accredited with Better Choice Home Loans subject to a best interest's duty and related obligations, directly to consumers. ("Broker Direct Channel") • An accredited mortgage broker and hold an Australian Credit Licence or be an Authorised Credit Representative to engage in credit activities on behalf of a credit licensee through accredited mortgage aggregators, to consumers ("Broker Channel"). • The accredited mortgage broker is subject to a best interest's duty and related obligations to ensure that the product is in the best interests of any customer when offering this product. • These distribution channels and conditions is appropriate as the target market is wide whereby it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between distributors and Better Choice Home Loans.
Review Period	An initial review of this target market determination will occur within 12 months of the date of this target market determination. This target market determination is then to be reviewed at least every 12 months.
Review Triggers	Upon the occurrence of any of the below review triggers, the TMD may no longer be considered appropriate and a review of this TMD must be undertaken. • Occurrences of significant dealing of the product to consumers outside the target market occurs; • A substantial number of complaints are received from customers in relation to the product; • A sizeable increase in number of defaults occur; • Issuing and distribution of this product is found to be inadequate and not in alignment with intended target market: and • A material change is made to this product • A decision by law, industry body or regulatory authority that materially effects the product • Significant changes in review metrics such as, an increase in early terminations, change in product demographics • Receipt of a Product Intervention power order from ASIC

	Type of information	Description	Reporting period
Monitoring and Reporting	Third-party distributors who are regulated persons will need to collect, keep, and report the following information		
	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.
	Complaints Information	Number of complaints • written details of the complaint; and • the number of complaints during the reporting period.	Quarterly When does the regulated person have to report: Within 10 business days of the end of the reporting period.
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
	Additional Reporting Requirements	Details of any suggested feedback and improvements	Quarterly As soon as practicable and within 10 business days of receipt of complaint