

Target Market Determination



This Target Market Determination (TMD) has been prepared in accordance with the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* and associated Regulations.

TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the *likely objectives, financial situation and needs* of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

The TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior to acquiring the product to ensure that it is appropriate for their particular *objectives, financial situation and needs*.

Product	Azora Variable Rate Personal Loan (secured second mortgage)
Issuer	Azora Personal Loans Pty Limited ACN 147 803 576 Australian Credit Licence 403724 (Azora)
Date of TMD	7 October 2022
Target Market	Description of target market, including likely objectives, financial situation and needs of consumers in the target market The features of this product, including its key attributes, have been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who: • satisfy Azora's eligibility criteria (including, but not limited to): ◦ are an individual who is a permanent Australian resident or Australian citizen and reside in Australia; and ◦ are PAYG employees and can provide sufficient supporting income documents or are self-employed and sufficient recent financial information is available • may have current or past arrears on other consumer debt • may have history of credit impairment • have applied for a Azora variable rate home loan secured by a first mortgage however require additional finance secured by a second mortgage to: ◦ purchase or refinance an owner occupied or investment property; and/or ◦ consolidate consumer loans; and/or ◦ payout defaults and judgments listed on their credit file; and/or ◦ consolidate business/commercial loans; and/or ◦ access equity in the property for working capital; and/or ◦ carry out non-structural renovations to the property • require the flexibility of a variable interest rate • require the flexibility to make additional repayments without a penalty • understand that their repayments can change at any time Whilst variable interest rates may fluctuate, the product has been assessed as meeting the likely objectives, financial situation and needs of consumers in the target market because it allows consumers to make additional repayments to reduce interest payable. Owner Occupied Residential Property This product allows consumers who have applied for a Azora variable rate home loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to finance the purchase or refinance of an owner occupied residential property with the ability to select principal and interest repayments in order to reduce the overall debt and build equity.

Investment Residential Property

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to finance the purchase or refinance of an investment property with the ability to select principal and interest repayments in order to reduce the overall debt and build equity

Consolidate Consumer Loans

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to access part of the equity in their owner occupied or investment residential property in order to use the funds to consolidate other consumer loans into one manageable loan.

Payout Defaults and Judgments listed on Credit File

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to access part of the equity in their owner occupied or investment residential property in order to use the funds to payout defaults and judgments listed on the consumer's credit file in order to improve their credit rating.

Consolidate Commercial Loans

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to access part of the equity in their owner occupied or investment residential property in order to use part of the funds to consolidate other commercial loans into one manageable loan.

Working Capital

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to access part of the equity in their owner occupied or investment residential property in order to use part of the funds as working capital in their business.

Non-structural Renovations

This product allows consumers who have applied for a Azora Variable Rate Home Loan product secured by a first mortgage to obtain additional finance secured by a second mortgage to access part of the equity in their owner occupied or investment residential property in order to complete non-structural renovations in order to increase the value of the property.

Description of product, including key attributes

- Variable interest rate
- Minimum 2 year loan term
- Maximum 7 year loan term
- Principal & Interest repayments
- Minimum loan amount \$10,000
- Maximum loan amount \$100,000 (credit criteria applies)
- LVR up to combined 95% with Azora Variable Rate Home Loan (1st mortgage) (credit criteria applies)
- Weekly, fortnightly or monthly repayments
- Types of fees:
 - Application Fee
 - Security Review Fee
 - Risk Assessment Fee
 - Monthly Account Service Fee

Other fees and charges may apply, as set out in the loan agreement.

Classes of consumers for whom the product may be unsuitable

This product may not be suitable for consumers who:

- do not meet Azora's eligibility criteria;
- are self-employed and do not have most recent business financials;
- are seeking the certainty of a fixed rate;
- are seeking the certainty of fixed repayments over the term of the loan;
- are seeking a line of credit facility;
- are seeking a standard first mortgage loan product; or
- are seeking to finance structural renovations or construct a property.

Distribution Conditions

Distribution conditions

The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:

Channel	Conditions
Direct (related entity) – online, in-person or by phone	Only authorised staff are permitted to assist consumers with this product. Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.

The distribution channels and conditions are appropriate because:

- our distributors have been adequately trained to understand their DDO obligations;
- we rely on existing distributors, methods, controls and supervision already in place; and
- our application and approval process has controls in place to ensure all approved consumers meet our eligibility and lending requirements.

Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- A significant dealing of the product to consumers outside the target market occurs;
- A significant number of complaints are 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;
- A significant number of defaults; and
- A significant number of applications for hardship.

Review Periods

First review date: Within 12 months of the date of this TMD.

Periodic reviews: Every 12 months after the initial and each subsequent review.

Trigger reviews: review to be completed within 10 business days of the identification of a trigger event.

Distribution Information Reporting Requirements

The following information must be provided to Azora Personal Loans Pty Limited by distributors who engage in retail product distribution conduct in relation to this product.

Distributors should provide all reporting to DDOreporting@azora.com.au.

	Type of information	Description	Reporting period
	Specific Complaints received in relation to the product or Azora	Written 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	Number of complaints	Every 3 months
	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