



# Target Market Determination

## for Skip Secondary Loan – Variable

<b>Product</b>	Skip Secondary Loan –Variable
<b>Issuer</b>	Skip Loans Pty Ltd, ACN 106 968 370, Australian Credit Licence 443249
<b>Effective Date of TMD</b>	November 14 <sup>th</sup> 2025
<b>TMD Version</b>	2.1
<b>PRODUCT DESCRIPTION AND KEY ATTRIBUTES</b>	
<b>Product Features</b>	Skip Secondary - Owner Occupied and Investment Loans
<b>Interest Rate Type</b>	Variable
<b>Repayment Type</b>	Principal and Interest
<b>Redraw</b>	No
<b>Minimum Loan Size</b>	\$20,000
<b>Maximum Loan Size</b>	\$1,500,000
<b>(Subject to LVR and postcode policy)</b>	
<b>Minimum Loan Term</b>	20 years
<b>Maximum Loan Term</b>	30 years
<b>Maximum LVR</b>	20% - Using this loan in conjunction with the Skip Primary Loan means that your overall property LVR will be between 80-100%.
<b>(Subject to postcode eligibility criteria)</b>	
<b>Additional repayments without penalty</b>	Yes
<b>Loan Fees</b>	No Application Fees and No Ongoing Fees. Settlement Fees and Valuation Fees apply. Upfront Rate Reduction Fee and Late Payment Fees may apply.
<b>TARGET MARKET DESCRIPTION</b>	
<b>About this TMD</b>	<p>This Target Market Determination (<b>TMD</b>) document describes the class of consumers that this product has been designed for, being the target market and the conditions around how the product is distributed to consumers. When considering the target market, Skip focused on our consumer target market's objectives and needs.</p> <p>This TMD is not intended to provide you with financial advice nor is it a substitute for the product's terms and conditions or other disclosure documents. Please refer to our Terms</p>





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and Conditions and Credit Guide before deciding product suitability. Our product terms and conditions will be provided to you upon request.

### Description of the target market

The features of this product have been assessed as meeting the likely objectives, financial situation and needs of consumers who:

- would like to borrow up to 100% of the value of a residential property in order to:
  - purchase a residential owner occupier or investment property;
  - refinance an existing owner occupied or investment property;
  - consolidate existing debts into their home loan;
  - borrow additional funds for a personal purpose (secured by a mortgage over residential property);
- do not wish to pay 'Lenders Mortgage Insurance' (LMI) but would prefer to use a *Skip Secondary Loan* in conjunction with a *Skip Primary Loan* (see relevant TMD at [www.skiploans.com.au](http://www.skiploans.com.au));
- are eligible for a *Skip Primary Loan*, to finance the balance of the total amount to be borrowed (80% of the value of the property);
- require the ability to make additional extra repayments without penalty;
- can afford to pay and wish to pay principal and interest repayments to build equity in a property.

The financial situation of are consumers in the 'target market' must be strong enough to satisfy our eligibility and credit assessment criteria which includes demonstrating the ability to repay both a *Skip Secondary Loan* and a *Skip Primary Loan*, without substantial hardship.

Therefore, consumers in the 'target market' must:

- be at least 18 years old;
- be individual borrowers (as single or joint borrowers); and
- be an Australian citizen, NZ citizen or permanent Australian resident or hold an acceptable visa type;
- be able to provide sufficient evidence of income or are self-employed and can provide sufficient recent financial information;
- have a satisfactory credit rating; and
- Upon application Skip will undertake an assessment to determine the consumer's ability to service a *Skip Secondary Loan* and a *Skip Primary Loan*, which is our process of determining that the product is consistent with the financial situation of the Target Market.

### Ineligible consumers

This product may not be suitable for consumers who:

- do not meet Skip's eligibility and credit criteria;
- will have at least 20% equity in the property at the time of settlement of a *Skip Secondary Loan* plus a *Skip Primary Loan*;
- are seeking the certainty of fixed repayments over the term of the loan;
- require an offset account;
- require finance for a property not within Skip's Accepted Postcode List;

Skip Loans Pty Ltd trading as Skip.

Australian Credit Licence (ACL) 443 249. Australian Financial Complaints Association (AFCA) 93243.

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- require finance for an off-the-plan property;
- require finance for vacant land; or
- require finance for construction of a residential property.

### DISTRIBUTION CONDITIONS

#### Distribution Channels

#### Distribution conditions

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

#### Channel

#### Conditions

Directly by Skip's staff – online, webchat or by phone

Skip holds an Australian Credit Licence, authorising it to engage in credit activities on behalf of a credit licensee.

Skip must comply with the terms and conditions of any relevant distribution agreement or arrangement with the Product Manager.

Only authorised staff that have met Skip's qualification and training requirements (i.e. Tier 2 competent staff) are permitted to assist consumers with this product.

Authorised staff have the necessary training, skills and knowledge to:

- discuss the features, costs, benefits, and risks associated with the product;
- assess whether the consumer is within the target market; and
- comply with our regulatory obligations.

Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations

Accredited mortgage brokers are permitted to assist consumers with this product.

All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time.

Accredited mortgage brokers are subject to a higher duty under 'best interests duty' (BID) to ensure that the Product is in the best interests of the particular consumer.

The distribution channels and conditions are appropriate because:

- the product has a clear target market;
- our direct distributors have been adequately trained to understand the product and our regulatory obligations, including our design and distribution obligations;
- our approval system has controls in place to flag applicants who may be outside the target market.



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### TMD REVIEWS

This TMD will be reviewed if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate. Our review triggers of this product are:

**Initial review** Within 12 months of the date of this TMD

**Periodic review** Each year on the anniversary of this TMD.

**Review triggers** Specific events will prompt us to review this TMD, which includes:

- A significant dealing of the product to consumers outside the target market occurs;
- We identify unexpected trends in consumer outcomes which are significantly inconsistent with the expected product performance;
- A significant number of complaints are received from consumers in relation to the product;
- Unexpected levels of early stage arrears are detected;
- A significant number of defaults occur;
- A significant breach has occurred in connection with the issuing and distribution of this product;
- A significant number of late repayments are being recorded;
- A material change is made to this product;
- There is evidence that the product or the distribution of it are not appropriate for the target market; or
- The receipt of a product intervention power order from ASIC requiring us to immediately cease retail product distribution conduct in respect of the product.

If a review trigger occurs, we will complete a review of the TMD within ten (10) business days. Meanwhile, we will cease to offer this product to our consumers until our TMD review concludes and any necessary changes to the product or TMD, including distribution methods, are made.

### DISTRIBUTOR REPORTING REQUIREMENTS

The following data must be provided to us by any person who engages 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	As soon as practicable and within 10 business days of receipt of complaint.





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	complainant and substance of the complaint	
<b>Number of Complaints</b>	Number of complaints and general feedback relating to the product and its performance	As soon as practicable and within 10 business days following the end of a calendar quarter
<b>Significant dealing(s)</b>	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
<b>Information requested</b>	Any other information requested by the Product Manager	As soon as practicable, and in any case within 10 business days after receiving such request

