



# Lifestyle<sup>CAPITAL</sup> loan

## Target Market Determination (TMD)

### About this document

This target market determination (TMD) applies to the Lifestyle<sup>CAPITAL</sup> land lease home loan and is a document of Land Lease Home Loans Pty Ltd ACN 642 684 053, a Credit Representative 527929 of Mortgage Direct Pty Ltd ACN 075 721 434 Australian Credit Licence 391876.

This TMD seeks to offer customers, staff, and other interest parties an understanding of the class of customers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Customers must refer to the terms and conditions, product guide and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

Effective date: 5 October 2021

### Target Market

#### Class of customers that fall within this target market

The information below summarises the overall class of customers that fall within the target market for Lifestyle<sup>CAPITAL</sup> land lease home loan, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

This Lifestyle<sup>CAPITAL</sup> land lease home loan has been designed for customers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). The Lifestyle<sup>CAPITAL</sup> land lease home loan is for those:

- customers seeking a regular income top up and/or a lump sum for personal use assets such as a car, caravan or boat, debt consolidation, home renovations, medical costs, in-home care or purchase of a new land lease home and would like to use their land lease home in an accredited\* land lease community to secure the loan.

*\* Accredited refers to where the land lease community operator has executed an Operator Deed with LLHL.*

#### Product description and key attributes

The key eligibility requirements and product attributes of this Lifestyle<sup>PLUS</sup> land lease home loan:

Purpose:	<ul style="list-style-type: none"><li>• Regular (weekly, fortnightly or monthly) income top up and/or a lump sum (some restrictions apply) for personal use assets such as a car, caravan or boat, debt consolidation, home renovations, medical costs, in-home care, or to purchase of a new land lease home.</li><li>• Non-approved purposes include but are not limited to: providing a gift or loan to family or friends, holidays, and purchase of a resale land lease</li></ul>
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home.

Key eligibility criteria:

- Customers must be aged 65 or over with a maximum of two customers being able to apply under one loan. All tenants of the site agreement with the operator must also be customers (borrowers).
- The loan may be applied for under Power of Attorney subject to lender approval.

Property criteria:

- The land lease home (home) must be located within an accredited land lease community. Please refer to the Accredited Land Lease Community section on our website for a current list.
- Minimum value \$250,000 and condition satisfactory to lender.
- The home must be unencumbered.
- The site agreement must be in an acceptable form.

Loan amount and term:

- Minimum loan: \$20,000
- Maximum loan: The maximum amount to borrow is calculated by applying a Loan to Value Ratio (LVR) which is based on the youngest customer applying for the loan. The LVR is applied to the value of the home. The maximum LVR available at each age is detailed below, subject to a maximum loan cap of \$150,000 with restrictions described below on purpose:

Age	LVR	Age	LVR
65	15%	70	20%
66	16%	71	21%
67	17%	72	22%
68	18%	73	23%
69	19%	74	24%
		75+	25%

- Weekly, fortnightly or monthly income top up purpose is calculated over a 10 year term.
- With the exception of purchasing a land lease home loan the maximum lump sum cannot exceed one third of the maximum entitlement.

Interest rate and fees:

- Interest rate is variable and subject to change. Please refer to the Interest Rates page on our website for the current interest rate and fees. Interest is compounding (calculated daily payable when the home is sold).
- An account keeping fee and establishment fee apply, and other fees may be applicable for settlement, valuation and other product options.

Loan structure:

- Total loan amount is repayable in accordance with the repayment schedule provided in the credit contract and otherwise when the home is sold.
- Applications for an increase will require a new application and the loan balance outstanding factored into the calculation to ascertain if additional funding is possible.

## Objectives, financial situation, and needs

This product has been designed for individuals who meet the following criteria:

- Need an amount of finance to enable them to have a regular income top up and/or a lump sum (some restrictions apply) for personal use assets such as a car, caravan or boat, debt consolidation, home renovations, medical costs, in-home care, or to purchase a new land lease home in an accredited community.
- Able to provide security of an unencumbered land lease home in an accredited land lease community.
- Have an Equifax credit score of good, greater than 665.
- Meet the responsible lending requirements. Illion (bankstatements.com.au) flags certain types of expenditure (such as gambling). If any of these flags are present, further inquiries will be made to determine if the individual is eligible.

## Excluded class of customers

This product has not been designed for individuals who are:

- customers under the age of 65
- customers under the age of 65 looking to purchase a resale home
- customers who are not or do not intend to reside in an accredited community
- guarantors
- companies or trustees
- politically exposed person (PEP)
- Equifax credit score <665, any bankruptcies

## Consistency between target market and the product

The Lifestyle <sup>CAPITAL</sup> land lease home loan is consistent with the likely objectives, financial situation and needs of the class of customer in the target market as this is a niche offering where the loan is provided to suit those 65 and over, are living or intend to live in an accredited land lease community, meet the LLHL lending guidelines, and have a property that meets the criteria in this TMD.

## Distribution

### Distribution channels

This product is designed to be distributed through the following means:

- Direct LLHL authorised representatives only who are trained in the distribution of this product by this TMD and the LLHL application process. Initial contact can be online through LLHL website, email, phone, or in person.

### Distribution conditions and restrictions

This distribution of this product is subject to the following conditions and restrictions:

- The LLHL application process is tailored to identify individuals that meet eligibility criteria described in the TMD for this product, individuals that are 65 or over, reside or intend to

reside in an accredited land lease community and in accordance with LLHL lending guidelines.

- This product is only offered directly by LLHL authorised representatives who follow the outlined TMD to ensure the customers who are provided this product are in the class of customers for which it is designed.

## Review of TMD

We will review this TMD in accordance with the below:

Initial review	Within the 12 months of the effective date, next review due date: 5th October 2022.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited): <ul style="list-style-type: none"><li>• a material change to the design or distribution of the product, including related documentation;</li><li>• occurrence of a significant dealing;</li><li>• distribution conditions found to be inadequate;</li><li>• relevant external events such as adverse media coverage or regulatory attention; and</li><li>• significant changes in metrics, including, but not limited to, complaints, risk tolerance, and lending uptake.</li></ul>

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

## Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Complaints	LLHL will report all complaints in relation to the product(s) covered by this TMD on a monthly basis. This will include written details of the complaints.
Significant dealings	LLHL will report if they become aware of a significant dealing in relation to this TMD within 10 business days.