



## **Target Market Determination (TMD)**

About us and this document

### **About us:**

Wave Money Pty Ltd is an Australian owned and operated non-bank lender.

### **How to contact us**

Our contact details are

Phone 1300 014 600

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### **About this document**

We are required to make a Target Market Determination under the Corporations Act.

A Target Market Determination (TMD) is a document which:

- Describes the class of consumers for whom a financial product has been designed
- The conditions around the products distribution
- When the TMD will be reviewed, and
- Set out reporting requirements

This is to assist distributors to ensure that the right products end up in the hands of the right customers by focusing on our customers in the design and distribution of our financial products.

This document is not to be treated as a full summary of the products terms and conditions and is not intended to provide financial advice.

### **Issuer**

Wave Money Pty Limited ACN 626 817 507 Australian Credit Licence 513760

### **Product Name**

Residential loan (First Wave – Prime, Set Wave- Alt Doc and Alt Doc Plus, Peak Wave - Specialist)

## Target Market

The product has been assessed as meeting the *likely objectives, financial situation and needs* of consumers who:

- satisfy our eligibility criteria (including, but not limited to);
  - are an individual who is an Australian citizen or permanent resident;
  - have an acceptable credit history (some allowance for credit impairment is allowed on our specialist option);
  - are PAYG employees and can provide sufficient supporting income documents or are self-employed and sufficient recent financial information is available; or
  - are self-employed and are unable to provide tax returns and instead wish to verify their income with alternative methods such as an accountant's certificate, Business Activity Statement (BAS) or trading statements, Bank Statements or through self certifying their income;
- are looking for assistance in the financing or refinancing the acquisition of residential property for the purpose of:
  - Being either their principal place of residence or for investment in residential property;
  - The release of capital in the secured residential property for the purpose of purchasing other assets, property, renovations, personal activities, business purposes, investment purposes, consolidation of debts or refinancing of debt;
- want the flexibility to make additional repayments and have access to those early repayments through a redraw facility;
- 
- can provide a 1<sup>st</sup> registered mortgage over residential property as security for the loan;
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- have the ability to make:
  - principal and interest payments repaying the loan over a maximum of 30 years, or
  - interest only payments for a period up to 5 years with the remaining period being principle and interest;
- require the ability to make additional repayments at no extra cost;
- require the flexibility of a variable rate;
- want the option of a sub-offset account;
- want to make weekly, fortnightly or monthly repayments on a principal and interest loan (interest only payments are charged monthly).
- require a maximum loan amount of \$750,000.

Whilst variable interest rates may fluctuate, the product meets 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 whilst retaining the ability to redraw those funds when required.

### ***Owner Occupied Residential Property***

This product enables consumers 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; or
- interest only for suitable purposes.

### ***Investment Residential Property***

This product enables consumers 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; or
- interest only for tax purposes.

### ***Capital Release***

This product allows consumers to access part of the equity in their owner occupied or investment residential property in order to use the funds to:

- consolidate other consumer or commercial loans into one manageable loan;
- payout defaults and judgments listed on the consumer's credit file.
- Pay for expenses such as non-structural renovations, personal activities, business purposes and other investment purposes,

### ***Description of product, including key attributes***

- Variable interest rate
- Minimum 10 year loan term
- Maximum 30 year loan term
- Principle & Interest repayments
- Up to 5 years Interest Only term
- Minimum loan amount \$150,000
- Maximum loan amount \$750,000
- LVR up to 95%
- Weekly, fortnightly or monthly repayments
- Redraw available
- Sub-offset account available
- Types of fees:
  - Application Fee
  - Valuation Fee
  - Risk Assessment Fee
  - Loan Settlement Fee
  - Account Service Fee
  - Discharge Administration Fee

## **Distribution conditions and restrictions on distribution**

This product is designed to be distributed exclusively through Wave Money accredited mortgage brokers. These mortgage brokers are authorised to distribute this product as they have been appropriately training and licenced to ensure the product is distributed to our target market.

All mortgage brokers also have their own regulatory obligations to ensure the product meets the customer needs including holding an Australian Credit Licences or maintain an appointment as a Credit Representative authorised to engage in credit activities on behalf of a credit licensee.

All accredited mortgage brokers are subject to a higher duty under BID to ensure that the Product is in the best interests of the particular consumer.

## **Review periods**

First review date: 5<sup>th</sup> October 2022

Periodic reviews: Yearly on or around the anniversary of the initial review

Review triggers: There is a significant dealing of the product to consumers outside the target market occurs; or

There is a material change to the product design and strategy; or

There is a material change to the product attributes, fees, charges, terms or conditions; or

There is an unexpected change in the number or nature of complaints received;

A significant number of loans go into default;

or,

We receive other feedback that would reasonably suggest that the TMD is no longer appropriate.

A trigger review will be completed within 10 business days of the identification of the identification of a trigger event.

## Reporting and monitoring this TMD

The following information must be provided to Wave Money by distributors who engage 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 complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
Complaints	Number of complaints	Every 6 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