

**Target Market Determinations- Brighten Elevate**

**Legal Disclaimer:**

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of customers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Brighten Home Loans Pty Ltd ACN 620 839 983 (**Brighten**) design and distribution arrangements for the product.

This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. The information contained in this TMD does not take into account any person's individual objectives, financial situation or needs.

<b>Product</b>	Brighten Elevate
<b>Issuer</b>	Brighten Home Loans Pty Ltd ACN 620 839 983
<b>Date of TMD</b>	16 August 2022 Updated on 22 December 2023
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>The above product is a full documentation (<b>Full Doc</b>) loan secured over established residential property. The product is available for purchases, refinances, and equity releases for a term of up to 30 years at variable interest rates.</p> <p>The product is acceptable for the following applicants:</p> <ul style="list-style-type: none"> <li>• Australian citizens or permanent residents with income in an acceptable foreign currency.</li> <li>• Australian temporary residents (with an acceptable Australian Visa) with income in AUD or an acceptable foreign currency. Visa remaining term needs to be at least 12 months.</li> <li>• Minimum age of borrower is 18.</li> </ul> <p><b>Description of product, including key attributes</b></p> <p>Information about the product's specifications is set out below:</p> <ul style="list-style-type: none"> <li>• Loan term of up to 30 years;</li> <li>• Maximum LVR of 80%;</li> <li>• Repayment of either principal and interest or interest only;</li> <li>• Interest only periods of a maximum of 5 years;</li> <li>• 100% offset facility included;</li> <li>• Up to 5 loan splits;</li> <li>• A High Density Apartment Unit size must be <math>\geq</math> 50sqm, with a maximum LVR of 70%;</li> <li>• Apartments, townhouses, and detached houses in Cat 1 and Cat 2 locations;</li> <li>• Complimentary pre-assessment and conditional written approval;</li> <li>• Online access through the Brighten Home Loans portal; and</li> <li>• Repayment methods include Direct Debit, BPAY and Pay anyone.</li> </ul>

**Description of likely objectives, financial situation and needs of customers in the target market**

This product is designed for customers who are:

- Seeking to purchase residential property within Australia for either owner occupation or investment purposes;
- Seeking to refinance residential property within Australia for either owner occupation or investment purposes;
- Seeking to consolidate debt (i.e. credit cards, person loans, business loans, etc.);
- Seeking to make non-structural home improvements;
- Seeking to make an "Off the Plan" purchase;
- Seeking to get a business loan;
- Seeking to acquire non-real estate investment (shares, managed funds, etc.);
- Seeking finance for general customer purposes (i.e. car, holiday, etc.);
- Seeking flexibility to make extra repayments without a fee; seeking flexibility to redraw funds as required; seeking additional features on their home loan (i.e. offset account); and
- The customer would need to meet Brighten's credit assessment and AML/CTF requirements.

**Classes of customers for whom the product is clearly unsuitable**

Applicants will not be considered from the following:

- Minors;
- Companies or company trustee's involving disqualified directors;
- Companies and/or individuals where a significant portion of their income is derived from the purchase / development / re-sale of property, unless to purchase or refinance their owner-occupied residence (cash out limited to \$10,000);
- Bankrupts discharged < 2 years ago;
- Applicants under external administration;
- Superannuation funds (either applicant or security provider);
- Superannuation funds (either applicant or security provider);
- Public companies;
- Owner Builders;
- Limited Liability Companies;
- Associations;
- Churches;
- Clubs; and Borrowers of Convenience.

**Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market**

This product is likely to be consistent with the likely objectives, financial situations and needs of the customers within the target market as it is a simple loan construct to understand:

- Variable interest rates only; and
- Repayments of principal and interest or interest only up to 5 years.

To be eligible to purchase this product, requirements must be met in relation to:

- Employment; and
- Income.

which would mean that, without exceptional circumstances, the Borrowers will be able to meet their repayment obligations.

Customers will need to also provide sufficient security in accordance with Brighten's credit assessment criteria, including:

- Acceptable property mortgage;

	<ul style="list-style-type: none"> <li>• General or specific security agreements; and/or</li> <li>• Guarantor who supports the loan by providing additional security.</li> </ul> <p>The financial situation of the Target Market are customers that meet Brighten’s credit assessment criteria which includes:</p> <ul style="list-style-type: none"> <li>• Demonstrating the capacity to make the required repayments and the ability to pay off the loan without substantial hardship; and</li> <li>• Where determined by Brighten to be required, (based on the customer’s security, applicant and loan attributes), have an acceptable guarantor.</li> </ul> <p>Brighten considers its processes in place, including assessing the customer’s ability to service the loan account, will mean that the product will likely be consistent with the financial situation of the Target Market.</p>
<p><b>Distribution Conditions</b></p>	<p><b><i>Distribution conditions</i></b></p> <p>The main distribution channel for this product is through third party distributors, being mortgage brokers, mortgage managers, and aggregator panels (<b>Distribution Partners</b>).</p> <p>The distribution conditions which Distribution Partners must comply with include ensuring that potential customers within the target market meet the eligibility requirements for the product.</p> <p>In order to distribute this product to a potential customer within the target market, the customer must not:</p> <ol style="list-style-type: none"> <li>1. Fall into a class of customers set out under the above heading, "<i>Classes of customers for whom the product is clearly unsuitable</i>"; or</li> <li>2. Provide an unacceptable security type.</li> </ol> <p>Further eligibility requirements to purchase this product include:</p> <ol style="list-style-type: none"> <li>1. Employment requirements of the target market; and</li> <li>2. Income requirements of the target market.</li> </ol> <p><b><i>Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market</i></b></p> <p>Brighten monitors the quality and content of applications received from its Distribution Partners for trends and patterns of unacceptable practices or just poor quality and/or incomplete loan applications. Feedback is given, if and when needed. Brightens distributing Mortgage Brokers and Mortgage Managers are all party to agreements that contain commission or fee claw back clauses for unacceptable loans, poor performing loans, fraud and AML/CTF issues amongst other criteria. Brighten also reserves the right in these agreements to terminate Brokers for any reason on two weeks' notice.</p>
<p><b>Review Triggers</b></p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to customers outside the target market occurs;</li> <li>• A significant number of complaints or dissatisfaction by the customers in relation to Distribution Partners;</li> <li>• A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate;</li> <li>• 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;</li> <li>• Hindsight reviews indicate that the product has been sold to classes of customers for whom the product is clearly unsuitable;</li> <li>• Material changes to the regulatory environment or relevant legislation which materially impacts upon the design and distribution of the product;</li> <li>• Inquiry or action by ASIC or another regulator as to the design or distribution of the product;</li> <li>• Descriptions or attributes contained in this TMD are found to include materially incorrect or misleading information;</li> </ul>

	<ul style="list-style-type: none"> <li>• The extent and nature of any negative feedback from Distribution Partners indicating that they are unable to sell the product to eligible customers within the target market;</li> <li>• The extent and nature of any negative feedback from Borrowers indicating that they are dissatisfied with the products;</li> <li>• High rates of default by the customers in the target market; and</li> <li>• Customers of the target market seeking to switch to other loan products.</li> <li>• Any other event or circumstance which reasonably suggests that the TMD is no longer appropriate.</li> </ul>																								
<b>Review Periods</b>	<p><b>First review date:</b> 16 February 2023</p> <p><b>Periodic reviews:</b> Every 12 months, and in the event it comes to our knowledge that a review trigger is triggered or that the product is not meeting the target market.</p>																								
<b>Distribution Information Reporting Requirements</b>	<p>The following information must be provided to Brighten by distributors who engage in retail product distribution conduct in relation to this product:</p> <table border="1"> <thead> <tr> <th><b>Type of Information</b></th> <th><b>Description</b></th> <th><b>Reporting period</b></th> </tr> </thead> <tbody> <tr> <td><b>Customer Complaints</b></td> <td>Number of complaints received in relation to the product</td> <td>Every 6 months</td> </tr> <tr> <td><b>Broker Complaints</b></td> <td>The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market</td> <td>Every 6 months</td> </tr> <tr> <td><b>Significant dealing(s)</b></td> <td>Date or date range of the significant dealing(s) and description of the significant dealing (i.e. why it is not consistent with the TMD)</td> <td>As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td><b>Application details</b></td> <td>The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity to ensure that eligible customers are purchasing the product.</td> <td>As soon as practicable</td> </tr> <tr> <td><b>Dealings outside of the target market</b></td> <td>To the extent a broker is aware of dealings outside of the target market, these should be reported to Brighten, including the reason why acquisition is outside of target market</td> <td>Within 10 business days</td> </tr> <tr> <td><b>Customer payment default</b></td> <td>Customers within the target market are unable to meet their loan repayments</td> <td>As soon as Practicable</td> </tr> <tr> <td><b>Customer dissatisfaction with the product</b></td> <td>The customer inquiring to change the product or making complaints about it</td> <td>Every 6 months</td> </tr> </tbody> </table>	<b>Type of Information</b>	<b>Description</b>	<b>Reporting period</b>	<b>Customer Complaints</b>	Number of complaints received in relation to the product	Every 6 months	<b>Broker Complaints</b>	The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market	Every 6 months	<b>Significant dealing(s)</b>	Date or date range of the significant dealing(s) and description of the significant dealing (i.e. why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware	<b>Application details</b>	The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity to ensure that eligible customers are purchasing the product.	As soon as practicable	<b>Dealings outside of the target market</b>	To the extent a broker is aware of dealings outside of the target market, these should be reported to Brighten, including the reason why acquisition is outside of target market	Within 10 business days	<b>Customer payment default</b>	Customers within the target market are unable to meet their loan repayments	As soon as Practicable	<b>Customer dissatisfaction with the product</b>	The customer inquiring to change the product or making complaints about it	Every 6 months
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