Target Market Determination

For Mezy Assets Pty Ltd 606 554 321 trading as Mortgage Ezy home loan products issued by Source Funding Pty Ltd ACN 622 815 294 AFSL and Australian Credit Licence 510226

Source Product : Term
Version 1.1 : 8 March 2023

1. About this document

This Target Market Determination (TMD) provides information about the target market for Ezy Reduce Full Doc home loan product[1]. It outlines the likely objectives, financial situation and needs of the target market as well as the key attributes of the product.

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. Consumers must refer to the product terms and conditions detailed below when making a decision about this product:

- General Terms & Conditions
- Source Funding Pty Ltd Loan Agreement
- Mortgage Common Provisions

Target market determination date 1 January 2025

2. Description of target market, including likely objectives, financial situation and needs

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

- satisfy our eligibility criteria, including (but not limited to):
  - being 18 years or older at the time of application;
  - being resident of Australia; and
  - receiving sufficient and consistent income;
- require a loan secured over owner occupied or investment property for the purpose of:
  - purchasing residential property;
  - refinancing a loan secured against residential property; and/or
  - accessing equity in a residential property;
- require the flexibility of a variable interest rate;
- may require the option for a loan offset account for deposits to offset interest;
- may require the option to access redraw from the loan offset account or loan account (when available);
- may require the ability to make unlimited extra repayments.

Whilst variable interest rates fluctuate, the product has been assessed as meeting the likely objectives, financial situation and needs of consumers in the target market because it allows them to make additional repayments and/or deposit funds into a loan offset or loan account to reduce interest payable whilst retaining the ability to draw on those funds when required.

[1] Credit services for Ezy Reduce Full Doc products are provided by Mezy Assets Pty Ltd trading as Mortgage Ezy ABN 56 606 554 321 Australian Credit Licence 494807 and its appointed representatives. Credit for Mezy Assets Pty Ltd trading as Mortgage Ezy products is provided by Source Funding Pty Ltd ACN 622 815 294 Australian Credit Licence 510226 ("Source").

Purchase or refinance of an owner-occupied and investment residential property's

This product allows consumers to finance the purchase or refinance of residential property and make principal and interest repayments in order to reduce the overall debt and build equity in the property.

Access equity

This product allows consumers to access part of the equity in their property in order to use the funds for an approved purpose in accordance with our lending criteria.

The maximum term, loan size, fees and charges and Loan to Valuation Ratio will vary depending on the consumer's circumstances, including the method of income validation and credit history. E.g., discharged bankrupt or defaults. Refer to the key product attributes below to ensure that the available product options meet the consumer's likely objectives, financial situation and needs.

Key product attributes

- Principal and interest loan repayments
- Interest only loan repayments up to 5 years
- Loan term up to 30 years
- Equity access, purchases and refinances acceptable
- Availability of a Redraw Facility
- Availability of an Interest Offset loan account;
- Ability to make additional repayments at no additional cost
- Access to online banking

Fees and Charges

- Establishment fees (Application, valuation, settlement)
- Legal fee plus disbursements
- Mortgage risk fee may apply
- Discharge fee

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

Excluded class of consumers

This product may not be suitable for individuals who:

- do not satisfy our eligibility criteria;
- need to borrow greater than 80% Loan to Valuation Ratio;
- require a loan term greater than 30 years;
- require a fixed interest rate loan;
- are borrowing to construct a dwelling; and/or
- require a line of credit facility

3. How this product is to be distributed

Distribution channels and conditions

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

- Mezy Assets Pty Ltd trading as Mortgage Ezy through it's accredited mortgage brokers; and

The distribution channels are appropriate because:

- the product has a wide target market;
- our application and approval process has controls in place to ensure all approved consumers meet our eligibility and lending requirements; and
- we conduct adequate training, upfront and ongoing due diligence and monitoring of distributors including the ongoing provision of information to these distributors.

4. Reviewing this target market determination

We will review this TMD in accordance with the following:

Review periods	First review date: within twelve months of the effective date. Periodic reviews: every twelve months after the initial review and each subsequent review.

Review triggers	The review triggers that would reasonably suggest that the TMD is no longer appropriate include (but are not limited to):
	• There is a material change to the product or the terms and conditions of the product
	• A significant dealing of the product to consumers outside the target market occurs
	• External events such as adverse media coverage or regulatory attention suggest that the target market for the product might not be appropriate; and
	• There is a significant change in product related metrics, including, but not limited to:
	  ○ increased complaints in relation to the purchase or use of the product;
	  ○ increased declined loan applications;
	  ○ high rates of default;
	  ○ high rates of hardship;

Where a review trigger has occurred, this TMD will be reviewed within 10 business days. Meanwhile, we will cease to offer this product to our consumers until our review concludes and any necessary change to the product or TMD, including distribution methods, are made.

5. Reporting and monitoring this target market Determination

The following information must be provided by Mezy Assets Pty Ltd trading as Mortgage Ezy distributors to Mezy Assets Pty Ltd trading as Mortgage Ezy this must then be provided to Source by Mezy Assets Pty Ltd trading as Mortgage Ezy, in relation to the distribution conduct of the Ezy Reduce Full Doc home loan products:

Distributors should provide all reporting to info@sourcefunding.com.au

Type of Information	Description	Reporting Period
Complaints received in relation to the product, Source Funding Pty Ltd or the distributor	Written details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and in any case within 10 business days of receipt of complaint.
Significant dealings	Any significant dealing which is not consistent with this TMD.	As soon as practicable, and in any case within 10 business days after becoming aware