

## Target Market Determination

Secured Consumer Loan issued by Affordable Car Loans Pty Ltd

### 1. About this document

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers 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, is not a product disclosure statement and is not intended to provide financial advice. Consumers should consider whether the product is appropriate for them before making any decision about whether to apply for or enter into the product. It has been prepared without taking into account any person's particular objectives, financial situation or needs and is not intended to provide financial advice.

Consumers should consider the product's full terms and conditions and any supplementary documents when deciding about this product.

### 2. Products to which this target market determination applies

This TMD applies specifically to the secured consumer loan issued by Affordable Car Loans Pty Ltd ACN 098 491 484 (Australian Credit Licence 393709) (“we”, “us”, “our”).

The terms and conditions which apply to the product are referred to in the Consumer Loan Contract Terms and Conditions.

### 3. First publication date

5 October 2021

### 4. Date from which this target market determination is effective

31 March 2025

### 5. Target class of consumers

The information below summaries the overall class of consumers that fall within the target market for the product, based on the product's key attributes and the objectives, financial situation and needs that it has been designed to meet.

The product has been designed for consumers whose likely objectives, financial situation and needs are aligned with the product's features and attributes.

The product is for those who are seeking an amount of credit for the purchase of a vehicle for domestic or personal use.

### 6. Product description and key attributes

#### Product description and key attributes

#### The key attributes of the product include:

- the product is a credit contract in relation to a motor vehicle, regulated by the *National Consumer Credit Protection Act 2009*;
- loan amounts between \$10,000 and \$100,000;
- fixed loan terms between 24 months and 60 months;
- fees and charges including:

	<ul style="list-style-type: none"> <li>○ establishment fees;</li> <li>○ fixed interest rates; and</li> <li>○ risk fees.</li> <li>● no early repayment fees; and</li> <li>● options to pay weekly, fortnightly or monthly.</li> </ul>
<b>Consumer needs and objectives</b>	<p><b>The product is suitable for consumers who are:</b></p> <ul style="list-style-type: none"> <li>● seeking consumer finance for a loan amount up to \$100,000 to finance the purchase of a motor vehicle predominantly for personal use;</li> <li>● prepared to offer the motor vehicle as security for the consumer loan;</li> <li>● seeking medium term fixed repayment obligations; and</li> <li>● seeking the certainty of fixed repayments and fixed interest charges.</li> </ul>
<b>Financial situation</b>	<p><b>The product is designed for consumers who:</b></p> <ul style="list-style-type: none"> <li>● require finance to assist with the purchase of an acceptable motor vehicle;</li> <li>● can service the principal balance of the loan together with the interest and fees as they are incurred; and</li> <li>● have a steady income from full time, part time or casual employment (or as a sole trader).</li> </ul>
<b>Excluded class of consumers</b>	<p><b>The product is not suitable for consumers who:</b></p> <ul style="list-style-type: none"> <li>● are under the age of 18;</li> <li>● are seeking a commercial motor vehicle predominantly for business use;</li> <li>● are seeking a variable interest rate or variable repayments;</li> <li>● are not Australian citizens, permanent residents, or holders of an acceptable visa;</li> <li>● are unemployed or are solely reliant on Government benefits as their source of income;</li> <li>● have an Equifax credit score below 400 (as amended by us from time to time).</li> </ul>
<b>Consistency between the target market and the product</b>	<p>This product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the product and a determination that these are consistent with the identified class of consumers.</p>

## 7. How this product is to be distributed

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

- directly to consumers by online website applications at [www.affordablecarloans.com.au](http://www.affordablecarloans.com.au); and
- through authorised brokers who hold an Australian credit licence, have been appointed as an authorised credit representative of an Australian credit licence, or are otherwise exempt from the licensing requirements under the *National Consumer Credit Protection Act 2009*.

## 8. Distribution conditions

We have distribution conditions in place to help ensure this product is only distributed to consumers in the target market.

These conditions include measures such as:

- the usage of knockout questions on the online application form to determine whether the consumer is meeting the eligibility criteria for the product;
- the review of website content to ensure that it is appropriate for the target market;
- the accreditation and onboarding of finance brokers to ensure that they are qualified to distribute the product;

- provision of the eligibility criteria to accredited brokers and referral partners to ensure the product is being recommended to consumers within the target market;
- product guides and other informational materials (including the TMD) are provided to approved brokers to ensure that they can carry out their functions, including to distribute the product in accordance with the distribution conditions having regard to the target market;
- Affordable Car Loans Pty Ltd's National Business Development Manager is a point of contact for all approved brokers and referral partners to provide clarification on any questions relating to the eligibility of consumers for the product; and
- the licensing, training and competency obligations (including penalties for non-compliance) to which Affordable Car Loans Pty Ltd and its authorised brokers are subject.

## 9. Adequacy of distribution conditions and restrictions

We have assessed that the distribution conditions will make it likely that consumers who acquire the product are in the class of consumers for which it has been designed.

This is because the distribution conditions are likely to ensure that only consumers in the target market will apply for the product and be approved for the product. The distribution conditions are appropriate and will ensure that distribution is directed towards the target market.

## 10. Reviewing this target market determination

We will review this target market determination in accordance with the below. Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

<b>Initial review</b>	Within 12 months of the first publication date.
<b>Periodic reviews</b>	At least annually from the initial review
<b>Review triggers or events</b>	<p>We will review this TMD if any of the following circumstances arise, where they reasonably indicate that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> <li>• a material change to the product, the terms or its distribution, including the terms and conditions applicable to the product or any related documentation;</li> <li>• a change in law, regulation, code or regulatory guidance that materially affects the product;</li> <li>• occurrence of a significant dealing to customers who are outside the target market;</li> <li>• distribution conditions found to be inadequate;</li> <li>• external events such as adverse media coverage or regulatory attention, including through feedback or guidance from AFCA or ASIC; and</li> <li>• significant changes in metrics, including, but not limited to, complaints, default rates, hardship or volume of approved customers.</li> </ul>

## 11. Reporting and monitoring this target market determination

We may collect the following information from distributors who engage in retail product distribution in relation to the product.

<b>Complaints</b>	Distributors will report all complaints in relation to the product covered by this TMD on a quarterly basis. This will include written details of the complaints.
<b>Significant dealings</b>	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.