

Target Market Determination – Economy Asset Loan

This Target Market Determination (“**TMD**”) provides consumers and distributors with an understanding of the class of consumers this product has been designed for, having regard to the likely objectives, financial situation and needs of those in the target market.

Consumers should refer to the terms and conditions of the product and any relevant supplementary documents which outline the relevant terms and conditions under the product when making a decision about the product.

This document is not a full summary of the product’s terms and conditions and is not intended to provide financial advice, legal advice or professional advice of any kind. Consumers should seek independent legal, financial and professional advice, before making a decision about the product.

Product	Economy Asset Loan (“ product ”)
Issuer	Fin One Pty Ltd ABN 80 139 719 903 (trading as Finance One) (“ Finance One ”) Australian Credit Licence 387528
Effective Date	20 July 2023
Target Market	<p><i>Description of target market</i></p> <p>The Finance One economy asset loan is designed for consumers with low or limited income who are seeking finance to purchase vehicles or other acceptable assets and who want the certainty of a fixed interest rate and a fixed repayment amount.</p> <p>An acceptable asset must be under 25 years old at the end of the loan term and includes an unencumbered registerable motor vehicle, motorcycle, caravan, camper trailer, boat, tractor, lawn mower and other acceptable assets registrable on the Personal Properties Securities Register.</p>
Product Description and Key Attributes	<p><i>Description of the product, including key attributes</i></p> <p>The key attributes of the Finance One economy asset loan include:</p> <ul style="list-style-type: none"> • term from 36 to 48 months • fixed rate of interest for the life of the loan • acceptable assets may be purchased via private sales and dealer sales • option to pay weekly, fortnightly or monthly

Consumer needs and objectives

- regulated under the *National Consumer Credit Protection Act 2009*
- monthly account fees payable
- no early repayment penalty

Consumer needs and objectives

The economy asset loan is designed for consumers who:

- need to borrow between \$5,000 - \$12,000
- want finance to purchase an acceptable asset (an acceptable asset must be under 25 years old at the end of the loan term includes an unencumbered registerable motor vehicle, motorcycle, caravan, camper trailer, boat, tractor, lawn mower and other acceptable assets registerable on the Personal Properties Securities Register)
- want a fixed rate of interest for the life of the loan
- want the choice to make repayments at weekly, fortnightly or monthly intervals
- can choose to make extra repayments without penalty

Financial Situation

Description of financial situation of consumer for whom the product is suitable

This product is designed for consumers who:

- are receiving regular Centrelink payments and who earn less than \$40,000 per annum or who want to purchase a security asset for less than \$8,000 in retail value
- receive regular and ongoing income
- can afford to service a loan of at least \$5,000
- want to make regular repayments over a defined period
- may have past credit defaults
- meet additional lending and eligibility criteria

Excluded Classes

Classes of consumers for whom the product is not suitable

This product is not designed for consumers who:

- wish to use the finance for other than purchasing an acceptable asset
- have had unpaid defaults within the last six (6) months
- have poor bank account conduct
- have regular financial and direct debit dishonours
- display multiple short-term cash lender activity
- are currently Bankrupt; or
- are currently not in personal control of their finances or are under third-party budgeting arrangements

Consistency Between Target Market and Product

Explanation of why the product is consistent with the objectives, financial situation and needs of consumers in the target market

The economy asset loan is designed to suit consumers who receive a low household income and who have difficulty obtaining finance through lenders with more onerous pre-requisites. The loan is designed to compliment the asset types being financed and the circumstances of the consumers – including the ability for consumers to pay out the loan early without penalty.

Consumers in the target market are unlikely to have sufficient savings to purchase an asset outright yet have sufficient regular income to service a loan.

Distribution Channels and Conditions

Distribution channels and conditions

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

- Finance One website;
- Finance One direct business team;
- brokers who hold an Australian credit licence, are representatives of an ACL holder or those who operate under an exemption to the licensing requirements under National Consumer Credit Protection Act 2009
- through approved third-party referral partners with whom Finance One has a formal agreement

All distribution channels must be accredited with Finance One and must be familiar with the Finance One products and the relevant target market determinations. In the case of referral partners, Finance One will observe the alignment of consumers with the target market prior to entering into any loan.

Distribution conditions include ensuring that consumers have the appropriate borrowing capacity and meet the lending and eligibility criteria and requirements for the product. Finance One ensures that any information in relation to the product is disseminated in a timely and readily accessible manner to all distributors and authorised internal sales consultants.

Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market

The distribution conditions ensure alignment to the target market by ensuring that:

- All distributors are made aware of the target market and criteria for loan eligibility
- Finance One has taken reasonable steps to ensure distribution is aligned with the target market
- Monitoring and reporting can happen efficiently

Review Triggers

The review triggers that would reasonably suggest that this target market determination is no longer appropriate include, but are not limited to:

- Changes in responsible lending legislation and guidelines
- A significant increase in default rates
- A significant increase in the number of hardship notices within close proximity to loan origination
- A significant dealing in the product outside of the target market occurs
- A significant number of complaints is received from customers in relation to the product
- A material change to the product and/or the terms and conditions of the product; and/or
- Adverse external events occurring such as adverse media coverage or regulatory attention

Review Periods

Initial Review: 05/04/2022

Periodic Reviews: Periodic reviews of the TMD will be conducted at least every 18 months from the initial review date.

Distributor Reporting Requirements	<i>The following information must be provided to Finance One by its distributors who engage in retail product distribution conduct in relation to this product:</i>		
	Type of information	Description	Reporting period
	Complaints	Number of complaints received and a brief description of the complaint	Every six (6) months
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing(s)	As soon as practicable and in any case within 10 business days after becoming aware
Distribution conditions found to be inadequate	Internal review of process finds distribution conditions are inadequate.	As soon as practicable and in any case within 10 business days after becoming aware	