



# LARGER AMOUNT PERSONAL LOANS (LACC)

## Fair Go Finance Target Market Determination

This Target Market Determination (TMD) has been prepared by Fair Go Finance Pty Ltd in compliance with our Design and Distribution Obligations under Part 7.8A of the Corporations Act 2001 (DDOs).

All products & pricing strategies support the Company's positioning as a Responsible consumer lender that:

- Participates in the Comprehensive Credit Reporting regime;
- Offers Risk Based Pricing; and
- Targets the Australian Near Prime consumer credit market.

### 1. Who is the Target Market for this Product?

The Target Market for the Larger Amount Personal Loan product offered by Fair Go Finance Pty Ltd (Us, We, Our) is made up of consumers who:

- Typically have a risk profile in the Credit bureau credit score range of 300 – 650;
- Need amounts of between \$5001 and \$10,000 for larger expenses or items which are, in most cases, discretionary and not reoccurring.
- Need to or require a refinance of pre-existing debts; lower the cost of credit and or reduce repayments on existing credit facilities.
- Customers who are willing to offer collateral against the product.
- Are looking to apply for finance in an "online" environment with an "always on" (24/7) access.
- Can afford the repayments on the product without hardship;
- Are looking to supplement any savings and / or regular/usual disposable income;
- Want digital or personal access to account information and support from customer services to discuss loan contract terms, repayments & disbursement details.

Outside of our target market are:

- Customers who are solely reliant on Centrelink benefits such as Newstart or Parenting Payments;
- Customers with excessive gambling and inconsistent repayments on existing credit facilities.
- Entered a bankruptcy or a part IX in the last six months

### 2. What are the Key attributes of this Product?

The LACC product covers larger loan amounts and longer repayment term within the Company's product range and as such the key attributes of our LACC product are:

- Loan amounts from \$5,001 - \$10,000
- Terms of between 1 to 2 years.
- Credit charges:
  - Interest rates of between 21.90% and 25.9%.
  - Establishment Fee of between \$546 and \$795
  - Monthly Fees between \$9 and \$14 per month.
  - No early repayment fee
- Transparent, legible and easily understood contract, including financial table and loan terms.
- Consumer protections limiting total amount that could possibly be repaid by a customer should they fall into arrears.

### 3. How do the key attributes of the product meet the target market?



In addition to the Responsible Lending Obligations which apply when any application for a credit product is assessed by the Company, the key attributes of the LACC product that meet the needs, objectives and financial situations of consumers in the target market are:

- a. A LACC loan can be obtained online through the web based application process providing access to larger loan amounts over a longer term for infrequent expenses
- b. Customers can access information relating to the LACC loan from the website or over the phone through our Service team
- c. Our LACC loan amounts meet the consumers' needs, requirements and objectives, and financial situation.
- d. Our LACC loan amounts are closely related to the amounts required by the target market consumers in their loan applications.
- e. The LACC product allows customers to repay the loan out early without an early repayment fee
- f. The repayments are tailored for each customer ensuing our LACC Loans are affordable for the consumer without hardship
- g. A sustained willingness to repay translates to Repayment History Information that is reported to all major Credit Bureaus in Australia, having the potential to boost a customer's credit score, opening opportunities with other Prime lenders
- h. Historical data shows that this product has been the subject of:
  - I. i. Lower Default rates;
  - II. ii. Fewer hardship applications;
  - III. iii. Fewer customer complaints;

all of which fall within an acceptable range and indicate that the product is suitable for the target market and is meeting the customer needs, objectives, requirements and financial situations.

#### 4. Distribution Channels and Conditions

As an online lender, the Company distributes its products through both direct (e.g. google and the Company's website) and indirect channels (e.g. referral sites).

All our Distribution channels present the product appropriately to consumers as follows:

- a) Our website contains information to assist a person evaluate the suitability of our product to their needs as a credit provider, before applying, including:
  - I. No misleading information
  - II. All relevant disclosures and warnings required by law;
  - III. Product and pricing related information
  - IV. Tools and information relating to a person's likely eligibility for the product
- b) All third party referrers are:
  - I. Vetted before being allowed to present our product;
  - II. Subject to regular monitoring;
  - III. Required to enter into referral agreements with us.

We do not make any unsolicited offers of credit

- a. Through gaming websites or locations;
- b. At hotels, pubs or casino's; or
- c. By making any unsolicited "cold call" offers of credit

We have adopted the following Voluntary Distribution Conditions to ensure that our product is distributed appropriately to its target market:

- a. No Loans to any customer whose only source of income is Centrelink Benefits.
- b. No more than 2 Larger Amount Personal Loans to the same customer within a 2 year period.
- c. No loans for business purposes.



All our products are distributed in compliance with our responsible lending obligations.

## 5. Review Triggers

We will review this TMD if the following occurs in relation to this product:

- a. The number of defaults in a 3 month period increases by 20%.
- b. The number of complaints from approved customers in a 3 month period increases by 20%.
- c. The number of hardship applications in a 3 month period increases by 20% of customers.
- d. The number of LACC loans per customer per year exceeds 2 for 20% of customers to whom LACC loans have been issued.

The responsible manager will collect, assess and review all the above data every month.

We will also respond to external sources such as:

- a. Australian Financial Complaints Authority (AFCA);
- b. Australian Securities & Investment Commission (ASIC);
- c. Community based consumer organisations.

If any of the above trigger events occur, this will trigger a review as if it were a Periodic Review as below.

## 6. Periodic Scheduled Reviews

- a. We will conduct annual periodic reviews whether or not a trigger event has occurred in the previous quarter.
- b. The responsible manager will conduct all reviews of this TMD.
- c. The responsible manager will report the board of directors of Fair Go Finance Pty Ltd within two weeks of conducting a review as to:
  1. Whether any trigger events have occurred.
  2. What factors may have caused these trigger events to occur.
  3. Which of the follow actions we should take:
    - (a) No change if all of our DDOs as published above are being met;
    - (b) The product needs a redesign;
    - (c) A new distribution condition is required; or
    - (d) The product must cease to be offered.

## 7. Significant Dealings

If at any time, we detect that more than 10% of the consumers receiving our product within a 3 month period are not within our target market, we shall:

- a) Report this to ASIC as a significant dealing within ten (10) business days;
- b) Treat this as a Trigger Event and conduct an immediate review of our loan product and its Target Market and distribution channels.