

## Small Amount Credit Contracts

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).

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

The Target Market for the Small Amount Credit Contract (SACC) product offered by Fair Go Finance Pty Ltd (Us, We, Our) is made up of consumers who:

- a) need amounts of between \$300 and \$2000;
- b) need to pay for infrequent and sometimes unforeseeable expenses that cannot be met from their regular/ usual disposable income;
- c) who need personal non-business credit;
- d) are not interested in long loan terms;
- e) can afford the repayments on the product without hardship;
- f) want contracts which are clear and easy to understand;
- g) want easy access to customer services to discuss payments, hardship and terms of the contract;
- h) want the funds quickly;
- i) want the loan application process to be simple, online, and quick.

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

The key attributes of our SACC product are:

- a) Loan amounts from \$300 to \$2000.
- b) Terms of up to 12 months.
- c) Fixed credit charges- Establishment fee 20% and Monthly fee 4% per month which can be reduced depending on the credit history of the customer.
- d) Transparent, legible and easily understood contract, including financial table and loan terms.
- e) Ready access to customer services and hardship policy.
- f) Fast on-line application and approval process.
- g) Purpose of loan is personal and non-business.

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

The key attributes of our SACC product meet the needs, objectives and financial situations of consumers in its target market because:

- a) our SACC product provides easy access short term finance for consumers for their infrequent and sometimes unforeseeable expenses.
- b) our SACC loan amounts are closely related to the amounts required by the target market consumers in their loan applications.
- c) our SACC loan terms match the consumers' needs, requirements and objectives, and financial situation.

- d) our SACC product is only for personal non-business purposes.
  - e) repayments on our SACC loans are affordable for the consumer without hardship.
  - f) the application process is online and can be completed within 6 minutes.
  - g) our contract documents are short, legible and easy to understand.
  - h) we provide ready access to online and telephone customer service.
    - i) Historical data shows that this product has been the subject of:
      - i) Low Default rates;
      - ii) Few hardship applications;
      - iii) Few 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

- a) All our Distribution channels present the product appropriately to consumers as follows:
  - i) Our website which contains:
    - (1) No misleading information
    - (2) All relevant disclosures and warnings required by law;
    - (3) An easy to follow application process during which the consumer is given informed choices at every stage;
  - ii) All third party referrers are:
    - (1) vetted before being allowed to present our product;
    - (2) subject to regular monitoring;
    - (3) required to enter into referral agreements with us.
  - iii) We do not make any unsolicited offers of credit.
- b) We have adopted the following Voluntary Distribution Conditions to ensure that our product is distributed appropriately to its target market:
  - i) No loans to any new customer whose only source of income is Centrelink Benefits.
  - ii) No more than 3 loans to the same customer within a 12 month period.
  - iii) No loans for the purpose of paying regular, ongoing ordinary household expenses.
- c) 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 loans per customer per year exceeds 3.

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

We will also respond to external sources such as:

- a) AFCA;
- b) 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:
- d) Whether any trigger events have occurred.
- e) What factors may have caused these trigger events to occur.
- f) Which of the follow actions we should take:
  - (1) No change if all of our DDOs as published above are being met;
  - (2) The product needs a redesign;
  - (3) A new distribution condition is required; or
  - (4) The product must cease to be offered.