



Target Market Determination

NAB Flexiplus Mortgage Facility

Determination Criteria	Description
Start date	28/07/2023
First and ongoing review period	The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.
Product	NAB Flexiplus Mortgage Facility A variable rate, line of credit for bridging finance for up to a 12 month period when buying a new home before selling an existing home with an annual fee.

Target Market

Target market & product attributes	Consumer needs and objectives	Product attributes
	A person that wants a fully drawn line of credit to purchase a new home pending the sale of an existing home.	This line of credit provides the ability to use credit: <ul style="list-style-type: none"> for bridging finance over a maximum 12 month period. This line of credit has an annual fee.
	A person that has at least 20% equity in the value of their combined homes. The total credit amount cannot exceed 80% of the total value of the homes. A person that has access to sufficient income to satisfy NAB's credit assessment requirements and to meet the following payments: <ul style="list-style-type: none"> interest amounts due application fee annual fee. A person that has a defined exit strategy to pay the outstanding amount due at the end of the 12 months including the sale of the existing property having purchased a new property.	This line of credit requires regular scheduled repayments including: <ul style="list-style-type: none"> interest only repayments a final payment of the outstanding amount upon sale of the existing home. This line of credit requires the payment of an application fee.
	A person that wants an interest rate that varies with the flexibility to make extra repayments and save interest.	This line of credit provides access to a variable interest rate option with: <ul style="list-style-type: none"> flexible repayment amounts flexibility of making extra repayments.
	A person that wants to minimise repayments for a defined period by only repaying interest costs.	This line of credit provides access to an interest only option for a 12 month period.
Negative target market statement	Not suitable for a person requiring a home loan for a purpose other than bridging finance.	

Appropriateness statement	NAB has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.
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Distribution Conditions

<p>Authorisation This condition applies to all conduct</p>	<p>Condition 1</p> <p>A distributor must:</p> <ul style="list-style-type: none"> • hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee unless an exemption applies covering the provision of credit activities in respect of the product; and • if the distributor is not NAB: <ul style="list-style-type: none"> - comply with the terms and conditions of any relevant distribution agreement or arrangement with NAB - if applicable, comply with the terms of any licensing exemption covering the provision of credit activities in respect of the product. <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and NAB.</p>
<p>General advice including Marketing This condition applies to general advice (including most marketing)</p>	<p>Condition 2</p> <p>A distributor must only provide general advice (such as marketing) if:</p> <ul style="list-style-type: none"> • a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn • the distributor complies with the terms of the TMD for the product • the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and • ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor. <p>A distributor may provide general advice (marketing) as to the product through public channels such as:</p> <ul style="list-style-type: none"> • television, radio, internet (including social media), billboards and physical banners, periodicals, brochures, and other marketing material available to the general public • advertising through comparison sites and rating agencies • NAB Branch • NAB Business Banking Centre • NAB Relationship Bankers • NAB Mobile Bankers • NAB's Call Centre • NAB's Mobile Application • NAB's Website • Direct Mail • Direct Email. <p>It is intended that these channels may be available to persons who would not at that time qualify for the product to be issued to them in a regulated sale, for example because they are minors or do not have the income to service the product. This is because the issue of the product is subject to Distribution Conditions 1, 3 and 4 which will ensure that the product is only issued to persons for whom it will be appropriate.</p>
<p>Retail product distribution conduct (other than General Advice) These conditions apply</p>	<p>Condition 3</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"> • a TMD has been made and published for the product and has not been withdrawn • the distributor complies with the terms of the TMD for the product

<p>to all retail product distribution conduct that is not general advice</p>	<ul style="list-style-type: none"> • ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and • the distributor has complied with Condition 4. <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"> • NAB Branch • NAB Business Banking Centre • NAB Relationship Bankers • NAB Mobile Bankers • NAB's Call Centre • NAB's Mobile Application • NAB's Website • Direct Mail • Direct Email. <p>This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if they have identified:</p> <ul style="list-style-type: none"> • that the distribution of the product is consistent with the needs, objectives and financial situation defined in the target market for the product • that the person is willing to sell their existing home having made a purchase of a new home • that the person is willing and able to pay the annual fee and interest to access the key attributes of the product • that the person is seeking access to a line of credit with the following key attributes: <ul style="list-style-type: none"> – a variable rate with access to: <ul style="list-style-type: none"> ▪ extra repayments ▪ Interest only repayments • the key difference between: <ul style="list-style-type: none"> – the product (including the specific product option requested by the consumer); and – the other home loan products issued by NAB. <p>The issue of this product is subject to compliance with the responsible lending obligations in Chapter 3 of the National Consumer Credit Protection Act 2009.</p> <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>
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Review Triggers

<p>Review triggers</p>	<p>NAB must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of NAB identifying a review trigger unless:</p> <ul style="list-style-type: none"> • NAB has determined that this TMD continues to be appropriate; or • a new TMD has been made. <p>The events and circumstances described below will trigger a review of this TMD if NAB determines it may relate to the appropriateness of the TMD having regard to NAB's internal policies.</p> <p>NAB will publish notice of a review on its website.</p>
<p>Material complaints</p>	<p>NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to:</p> <ul style="list-style-type: none"> • consumer understanding of the risks, key terms, conditions or key attributes of this product • credit limit amounts of the product

	<ul style="list-style-type: none"> ability to repay the interest amounts owed under the facility repayment period.
Product performance	<p>NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where:</p> <ul style="list-style-type: none"> evidence shows that the financial situation of the customer may not be met including monitoring of: <ul style="list-style-type: none"> customers experiencing disproportionate rate of delinquencies bridging finance for a period greater than 12 months.
Feedback from distributors	<p>Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or product attributes may no longer be appropriate.</p> <p>Refer to Reporting.</p>
Substantial product change	<p>NAB makes a substantial change to the product terms, conditions or key product attributes including:</p> <ul style="list-style-type: none"> adding to, removing or changing a product attribute a substantial pricing change which impacts the consumer value proposition of the product significant changes to a distribution channel and distribution strategy.
Significant change to the external environment	<ul style="list-style-type: none"> Regulatory or legislative environment for this product. Economic and market conditions.
Notification from ASIC	<p>NAB receives a notification from ASIC requiring immediate cessation of product distribution, or cessation of particular conduct in relation to the product.</p>
Significant dealings	<p>Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.</p>

Reporting

Reporting period	<p>The Reporting Period for this determination is quarterly during each calendar year:</p> <ul style="list-style-type: none"> First reporting period ending on 31 March. Second reporting period ending on 30 June. Third reporting period ending on 30 September. Fourth reporting period ending on 31 December.
Reporting information	<p>A distributor must provide the following information in writing as soon as practicable or within 10 business days after the reporting period unless otherwise specified.</p>
Complaint information	<p>Complaints related to the risks, key terms, conditions or key attributes of this product including:</p> <ul style="list-style-type: none"> the number of complaints the nature and circumstances of the complaints whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.
Feedback from distributors	<p>Feedback that the target market or key product attributes may no longer be appropriate, including about:</p> <ul style="list-style-type: none"> consumer understanding of the risks, key terms, conditions or key attributes of this product the credit limit amounts for the product ability to repay the interest amounts owed under the loan.
Significant dealings	<p>If a distributor becomes aware of a significant dealing in the product or an issue with the distributor conduct that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.</p>

	Other information requested by NAB	Any other information requested in writing by NAB from time to time subject to: <ul style="list-style-type: none">• The request being necessary to enable NAB to meet its legal and compliance obligations; and• NAB providing at least 30 days prior notice before the end of the Reporting Period.
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