



Diocesan Development Fund

Anglican Diocese of Armidale

TARGET MARKET DETERMINATION

CLERGY CAR/PERSONAL LOAN

Start Date: 7 March 2024

Product: DDF Variable Rate Car/Personal Loan (**the Product**)
A variable rate unsecured loan for licenced stipendiary clergy or employees of The Corporate Trustees of the Anglican Diocese of Armidale (**the Lender**), whereby the consumer can borrow money for the purchase of a car or for other personal expenditure with redraw facility, no application fee and no monthly fee.

Target Market: Licenced stipendiary clergy, joint debtors where one of the borrowers is licenced stipendiary clergy and employees of the Lender whose needs, objectives and financial situation are consistent with those set out in the table below.

TABLE 1: TARGET MARKET AND PRODUCT ATTRIBUTES

The Lender considers that the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market (as set out in Column 1) for the reasons described in Column 2:

1. Consumer needs and objectives	2. Reason Product likely to be consistent with need/objective
Clergy in the Anglican Diocese of Armidale are from time to time required, as part of their profession, to travel to remote locations not serviced by public transport, and sometimes this travel can be outside of normal work hours. As such, the clergy require a car to adequately do their job.	This Product can be used for the purchase of a car.

A person who requires an unsecured loan for personal expenditure.	This Product can be used for personal expenditure for purposes acceptable to the Lender.
A person who requires a loan over a maximum period of five years.	This Product has a maximum duration of five years.
A person who requires a loan with a variable interest rate.	The Product has a variable interest rate meaning that the repayments will vary based on changes to the interest rate.
A person who wants to be able to make unlimited additional repayments to save on interest charges.	This Product offers the flexibility to make unlimited additional repayments (including the ability to pay the loan out early). Interest is calculated daily and charged monthly. There are no fees associated with making additional repayments.
A person who wants access to a redraw facility.	This Product offers a redraw facility that enables consumers to access surplus repayments made over and above the minimum required repayments, with no minimum redraw amount where the redraw amount does not exceed the credit limit and there is no redraw fee.
A person who wants to support the objectives of the Anglican Diocese of Armidale.	The Lender makes an annual distribution to the Anglican Diocese of Armidale from the surplus generated across all Diocesan Development Fund (DDF) operations, including the Lender's lending activities, which helps to further the objectives of the Diocese.
1. Consumer financial situation	2. Reason Product likely to be consistent with financial situation
<p>A person who can meet the Lender's credit assessment criteria, which includes demonstrating the capacity to make the required repayments on a monthly basis without substantial hardship.</p> <p>Clergy remuneration is often complex, with stipend, fringe benefits, allowances and salary sacrifice arrangements that are particular to religious practitioners.</p>	<p>The Lender views that its assessment process, including its assessment of the consumer's ability to service the home loan facility, will mean that the Product will likely be consistent with the financial situation of the target market for the Product.</p> <p>The people responsible for assessing applications for the Product are familiar with the clergy remuneration structure in the Anglican Diocese of Armidale and take the various features of this remuneration into account when assessing an applicant's suitability for the Product.</p>

A person who does not want to pay an application fee to have their car/personal loan application considered.	As part of its commitment to support the clergy and diocesan employees of the Lender, this car/personal loan has no application fee.
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Eligibility criteria

Consumers need to satisfy certain eligibility criteria to be issued this Product, including that consumers must:

- be a licenced stipendiary clergyperson of the Anglican Diocese of Armidale or an employee of the Lender;
- be an individual 18 years of age or older;
- be an Australian citizen or Australian permanent resident; and
- provide a purpose for the loan that is acceptable to the Lender.

Negative Target Market Statement

This Product is not suitable for a person:

- who is not a licenced stipendiary clergyperson of the Anglican Diocese of Armidale or an employee of the Lender;
- requiring credit for business purposes;
- requiring credit for investment purposes;
- requiring a fixed interest rate for a period of time;
- requiring a car/personal loan with an offset facility;
- requiring a choice of repayment frequencies;
- who wants the ability to switch between principal and interest, and interest only repayments; or
- who is unable to service the loan for the term without substantial hardship.

DISTRIBUTION CONDITIONS

The Product can only be distributed by the Lender or officeholders of the DDF in accordance with the conditions set out below. The Product is not distributed via third parties or marketed to the public.

Condition 1: Who may act as a distributor

This Product may only be distributed by person/s who meet the following conditions:

- They must be an employee of the Lender;
- Part of their job description or role must include providing information about the Lender's loans and helping people to submit loan applications; and

- They must have completed appropriate training on how to provide information about the Lender’s loans and how to help people submit loan applications.

This condition limits the distribution of the Product to a very narrow group of people who are:

- subject to stringent oversight and monitoring;
- are appropriately trained;
- understand and are able to discuss the features of the Product;
- required to follow procedures relating to application processes and distribution; and
- have access to product resources such as interest rate and repayment calculators.

A person who meets the above criteria must only engage in retail product distribution conduct if:

- A TMD has been made and published for the Product and has not been withdrawn;
- The person complies with the terms of the TMD for the Product;
- ASIC has not issued a Product Intervention Power restricting the distribution of the Product; and
- The distributor has complied with Condition 3.

A person must only engage in retail product distribution conduct through:

- Face to face meetings
- Electronic meetings
- Direct phone communication
- Direct mail
- Direct email
- Handing out pamphlets or brochures at diocesan events referred to in Condition 2.

Condition 2: Marketing

Potential applicants for the Product are generally made aware of the Product at diocesan events, including clergy induction and training, clergy conferences, and synods. Inquiries are then directed to the DDF Administrative Officer who is able to explain the detail of the loans on offer to the potential borrower and provide information in writing. The Trustee does not advertise its loans in any public forum.

A distributor may only promote the Product if:

- A Target Market Determination (**TMD**) has been made and published for the product and has not been withdrawn;
- The promotion is in accordance with the terms of the TMD for the Product;
- The promotion is likely to be 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 promotion of the Product by the distributor

Promotion of the Product only occurs in forums where the audience is predominantly licenced stipendiary clergy of the Anglican Diocese of Armidale or employees of the Lender.

This condition is appropriate as the target market for this product will be licenced stipendiary clergy and employees of the Anglican Diocese of Armidale who are likely to have the objectives, needs and financial situation consistent with those set out above. This condition helps to ensure that any marketing is targeted to the clergy and employees of the Lender with minimal (if any) promotion of the Product to people outside of this group.

Condition 3: Confirming that the consumer is in the target market

The Lender will only approve an application for the Product if:

- The consumer is either a licenced stipendiary clergy person of the Anglican Diocese of Armidale or an employee of the Lender;
- The consumer has made proactive contact with the Lender to inquire the Product;
- It has been identified that the Product is consistent with the consumer's needs, objectives and financial situation as defined in the target market for the product
- It has been identified that the person meets the Lender's lending criteria and is willing and able to pay the required minimum monthly payments without substantial hardship; and
- It has been identified that the person is seeking a car/personal loan with the following key attributes:
 - No application or monthly fees
 - The ability to make additional repayments
 - Access to a redraw facility
 - Support for the objectives of the Anglican Diocese of Armidale
 - Assessed by people with a good understanding of the remuneration of clergy in the Anglican Diocese of Armidale

This condition ensures that and the Product is only issued to people within the target market who have expressed an interest in the Product.

Condition 4: No referral fees, commissions or bonuses

The Lender does not pay any referral fees, commissions or bonuses in relation to the Product.

This condition ensures that the incentive structures in place do not encourage distribution of the Product to consumers who are likely to be outside of the target market or that are otherwise inconsistent with the TMD.

APPROPRIATENESS STATEMENT

The Lender considers that the Product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market. The Lender has explained why the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of the consumers in the target market in Table 1 above.

The Lender also considers that, if the Product is issued to a consumer in accordance with the distribution conditions above, it is likely that the consumer would be in the target market for the Product.

REVIEWS

All reviews of this TMD shall be documented to show the reason for the review, any relevant information that was considered in the review, the outcome of the review and the reasons for that outcome.

Scheduled Reviews

The Lender will review this TMD within 12 months of the effective date of this TMD. Subsequent periodic reviews will be conducted at least every 12 months from the date of the last review.

Review Triggers

A further review of the TMD will be triggered by any of the following events, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate:

- **Material Complaints** – Unexpected trend in complaints relating to this product are received, where the complaints are to do with the consumer's application for or use of the product, including:
 - Distribution (e.g. misrepresentations or mis-selling)
 - Consumer understanding of the risks, key terms, conditions or key attributes of this Product

- Product suitability, including the ability to repay the principal amount and interest amounts owed under this product.
- **Product Performance** – Unexpected trends in product performance, such as consumers in hardship arrangements, data indicating several consumers with payments in arrears, or where a number of consumers elect to refinance to another credit provider.
- **Incident Data** – a material incident or significant number of incidents in relation to potential breaches of our legal or regulatory obligations in relation to the Product.
- **Substantial Product Change** –The Lender makes a substantial change to the product terms, conditions or key product attributes.
- **Significant Change to the External Environment** –There is a significant regulatory or legislative change that impacts this Product.
- **Notification from ASIC** – The Lender receives a product intervention order or other notification from ASIC that requires immediate cessation of product distribution, or cessation of particular conduct in relation to the Product.
- **Significant Dealings** – Any significant dealing of the Product to consumers who are outside of the target market set out in the TMD.

REPORTING

The DDF Administrative Officer or the DDF Executive Officer must report the following matters to the DDF Board and the Lender at the soonest possible opportunity:

- **Complaint Information** – Report complaints related to the consumer’s application or use of the product, including:
 - The number of complaints
 - The nature and circumstances of the complaints; and
 - 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.
- **Significant Dealings** – Where the DDF Administrative Officer or the DDF Executive Officer becomes aware of a significant dealing in the Product that is not consistent with the TMD.