



# Target Market Determinations for Safe Finance Personal Loan Products

## About this document

This document includes a target market determination (TMD) for each of Safe Finance’s Personal Loan Products. This document is a prescribed document under the Corporations Act 2001 (Cth) to describe the class of persons (the target market) for whom our personal loans have been designed. This document does not constitute advice.

This target market determination seeks to give our customers, distributors, and staff an understanding of the class of consumers for which our personal loan products have been designed. It does not purport to set out or contain the full terms and conditions of our personal loan products. The full terms and conditions applicable to our personal loan products are set in the loan contract you will be asked to sign if your loan application is approved. Different terms and conditions apply depending on the type or amount of the loan you obtain from us.

When we refer to “us” or “we” in this document it is a reference to us, Safe Finance Pty Ltd which is the issuer of the personal loan product.

<b>Name of Product</b>	<p>Our Personal Loans</p> <ul style="list-style-type: none"> <li>• <b>Sacc Loans (Small Amount Credit Contracts)</b></li> <li>• <b>Macc Loans (Medium Amount Credit Contracts)</b></li> <li>• <b>Lacc Loans (Large Amount Credit Contracts)</b></li> </ul>
<b>Name of Issuer</b>	<p>Safe Finance Pty Ltd ACN: 098 751 930 ACL: 391958</p>
<b>Date of this Target Market Determination</b>	<p>21 November 2023</p>
<b>Overview of Target Market for our Personal Loan products</b>	<p>Our personal loan products have been designed to meet the needs, objectives, and financial situation of consumers who:</p> <ul style="list-style-type: none"> <li>• Want a loan for one or more of the approved purposes set out below under the section headed “Approved Purposes.”</li> <li>• Want a loan that has the loan features offered by us and for the length of time offered by us – see sections of this TMD which sets out “loan terms” and “loan features.”</li> <li>• Want a loan of the type offered by us.</li> <li>• Meet our eligibility criteria for loan applicants – see section headed “Eligibility criteria for loans.”</li> <li>• Are not an excluded person – see section headed “Exclusion criteria for loans.”</li> <li>• Want a simple and fast application process, without the need of paperwork and with the possibility of same day funding.</li> <li>• May or may not have a credit score acceptable to mainstream lenders.</li> </ul>

	<p>We are not in the business of providing loans to consumers who cannot afford them or to consumers who do not fall within the target market/s for our personal loan products.</p> <p>The loan provided may or may not be secured. If secured, the loan will normally be secured against a motor vehicle (car or motorcycle), trailer, caravan or boat.</p> <p>All loans are subject to our credit policy and responsible lending suitability assessment.</p>
<p><b>Eligibility Criteria for loans</b></p> <p><b>Who is eligible for a loan from us?</b></p>	<p>If you are a new client, then to be eligible to apply for one our loans, you must:</p> <ul style="list-style-type: none"> <li>• be age 18 or over.</li> <li>• have a bank account in your name.</li> <li>• have a contact telephone number.</li> <li>• be residing in Australia as permanent resident or citizen.</li> <li>• be employed, at least casual or part time*.</li> <li>• expect to receive a net weekly income of at least \$700 per week.</li> <li>• be assessed by us as being able to afford to make the repayments under the loans without undue hardship (on the assumption that your financial circumstances do not change after the date of our assessment).</li> <li>• use the loan proceeds for a purpose that meets our list of approved purposes.</li> </ul> <p>If you are an existing client, you are still eligible to apply for a Macc loan even if you are not currently employed, provided you receive sufficient regular income from benefits to satisfy our credit assessment criteria.</p> <p>This product is consistent with the needs and objectives of customers who are seeking fast, flexible, and short-term finance with the certainty of fixed repayments over the term of the loan.</p> <p>*New clients only</p>
<p><b>Exclusion criteria for loans</b></p>	<p>You are not eligible to apply for one of our loans if:</p> <ul style="list-style-type: none"> <li>• you are under 18 years of age.</li> <li>• you do not have a bank account in your name or are unwilling to provide a bank statement.</li> <li>• you do not have a contact telephone number.</li> <li>• you are not residing in Australia or are a permanent resident or citizen.</li> <li>• you are a new client, and your sole source of income is benefits.</li> <li>• you do not meet our approved lending criteria under our credit policy.</li> <li>• the purpose of the loan is stated is not within our accepted purposes.</li> </ul>
<p><b>Approved Loan Purposes</b></p>	<p>The following list of approved loan purposes is not exhaustive but sets out the main categories that an applicant can select on our online form. Each main category of loan purpose has a number of subcategories which further specify and clarify the purpose from which you are applying for the loan.</p> <ul style="list-style-type: none"> <li>• Car purchase or repairs.</li> <li>• Travel.</li> <li>• Household expenses.</li> <li>• Medical expenses.</li> <li>• Moving costs.</li> <li>• Debt consolidation.</li> <li>• Education.</li> <li>• Cash shortfall.</li> <li>• One-off purchases.</li> <li>• Bills.</li> </ul> <p>Please note that we will not accept an application for everyday expenses or for necessities like food and groceries unless it is for a special occasion.</p>
<p><b>Term of our Loans</b></p>	<p>You are able to select the term of your loan within certain parameters. The term of your loan will depend on the amount being borrowed.</p>

	<b>Small Amount Loan (up to \$2,000)</b>	<b>Medium Amount Loan (\$2,001 to \$5,000)</b>	<b>Large Amount Loan (over \$5,000)</b>
	13 weeks to 50 weeks	40 weeks	52 weeks to 78 weeks
<b>Loan features</b>	<p><b>Sacc loans:</b></p> <ul style="list-style-type: none"> <li>• have an establishment fee that is 20% of the loan amount.</li> <li>• have a monthly fee that is 4% of the loan amount for each month the loan is active.</li> <li>• allow you to choose between weekly, fortnightly or monthly repayments.</li> <li>• permit you to make extra or increased repayments, so you are able to pay off the loan more quickly than the contracted term.</li> <li>• have loan repayment dates which can be aligned to coincide with the dates on which your pay is deposited to your bank account to minimize the risk of declined payment requests.</li> </ul> <p><b>Macc and Lacc Loans</b></p> <ul style="list-style-type: none"> <li>• have an establishment fee and loan management fee.</li> <li>• have a fixed interest rate for the term of the loan.</li> <li>• Do not charge an increased default interest rate when a borrower is in arrears.</li> <li>• allow you to choose between weekly, fortnightly or monthly repayments.</li> <li>• permit you to make extra or increased repayments, so you are able to pay off the loan more quickly than the contracted term.</li> <li>• have loan repayment dates which can be aligned to coincide with the dates on which your pay is deposited to your bank account to minimize the risk of declined payment requests.</li> </ul>		
<b>When we will take security for repayment of the loan</b>	<p>We will ask for security under your loan only when you are applying for a Macc or Lacc loan and the loan amount is greater than \$2100, and the purpose is for debt consolidation or to purchase a vehicle with the loan funds.</p> <p>Generally, we will be able to provide an unsecured loan up to \$5,000, so long as an applicant meets our lending criteria, and the loan purpose is not for debt consolidation of other Sacc loans.</p>		

<b>How we distribute the loan product</b>	<p>We distribute the loan product:</p> <ul style="list-style-type: none"> <li>• Directly to consumers by online application and a follow up telephone conversation with our operator for most applications.</li> <li>• Clients that apply through our approved referral partners will also be directed to our website to complete their application via our online form and a conversation with our operator in most instances</li> </ul>	
<b>Distributors</b>	<ul style="list-style-type: none"> <li>• We distribute our loan product direct to consumers. We do not rely upon a distribution network however we do accept referrals from approved referrers and lead generators who direct clients to our website.</li> </ul>	
<b>Distribution Conditions</b>	<p>We have distribution conditions in place designed to help ensure that our loan product is only provided to consumers in the target market.</p> <p>We ensure that:</p> <ul style="list-style-type: none"> <li>• Our website content gives consistent messaging directed to our target market.</li> <li>• Our initial review of an application excludes consumers who, based on objective and measurable criteria, do not meet our eligibility criteria.</li> <li>• Our assessment process fully assesses whether a consumer meets our eligibility criteria and;</li> <li>• Our review process reviews applications where it is initially unclear or uncertain whether the application meets our eligibility criteria or whether we are prepared to lend to the consumer.</li> <li>• We ensure that with a referral made by our referral partners, that they are only referring consumers who are likely to meet our eligibility criteria.</li> </ul>	
<b>Adequacy of distribution conditions and restrictions</b>	<ul style="list-style-type: none"> <li>• Implementation of suitability and eligibility questions through our proprietary semi-automated application process allows us to identify those applicants who do not meet the criteria for the products prior to any loan offer being made to a consumer.</li> <li>• Provision of detailed reference material such as checklists and guidance notes to our loan assessors and reviewers means that we receive from the consumer all the required information to enable assessment of suitability and eligibility prior to offer or approval of the loan.</li> <li>• We make and review our agreements with referral partners taking into consideration their access to the target market for our loan product.</li> </ul>	
<b>Timing and process by which we review our Target Market Determination</b>	<p>We will review this target market determination as follows:</p>	
	<b>Review Type</b>	<b>Date of Review</b>
	Initial review	Within two years of the date of first issue of this target market determination.
	Subsequent periodic reviews	Annually, in July each year
	Trigger event	Within ten (10) days of the occurrence of a trigger event
	<p>A trigger event is any event or circumstance that should objectively give rise to a reasonable belief on our part that this Target Market Determination is no longer appropriate having regard to a variety of factors, including (but not limited) to any of the following:</p> <ul style="list-style-type: none"> <li>• material changes to the laws applicable to this product, the product features or terms or the distribution method</li> </ul>	

- the occurrence of a “significant dealing” in relation to our loan product where multiple clients outside of our TMD have been identified as being approved for a loan.
- an increase in complaints relating to suitability of loan equal to or exceeding 5% of loans funded for the previous quarter.
- an increase in hardship applications equal to or exceeding 5% of loans funded for the previous quarter,
- significant numbers of hardship applications within 6 weeks of the loan being issued.
- an increase in loan arrears, resulting in a reduction of expected recoveries (client individual payments and client dollars expected each as a percentage), reducing by more than 5% per week, on expected and historical levels and stay at this level for more than 1 calendar month.
- increased application volumes by more than 100% per approved referral partner that were not agreed upon in advance.
- significant numbers of EDR negative findings indicating that the product didn't meet the customer's objectives, needs or financial situation.