

Target Market Determination

This Target Market Determination (**TMD**) has been prepared in accordance with the *Corporations Act 2001* (Cth) and associated Regulations.

TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the likely objectives, financial situation and needs of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

Consumers should consider the Generate Terms and Conditions and Generate Credit guide prior acquiring the product to ensure that it is appropriate for their particular objectives, financial situation and needs.

Product	Generate Home Loan
Issuer	<p>Lender: Generate Homes Pty Limited ACN 660 011 692</p> <p>Manager: AHC Finance Pty Limited ACN 161 006 846 Australian Credit Licence 448165</p> <p>The Manager has arranged for the Lender to make the loan, which will be managed by the Manager. Normally, you deal with the Manager. The Lender and the Manager are together and separately referred to as 'we/us/our'.</p>
Date of TMD	24 January 2025
Target Market	<p><i>Description of target market, including likely objectives, financial situation and needs of consumers in the target market</i></p> <p>The product has been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none"> • satisfy our eligibility and credit criteria, including: <ul style="list-style-type: none"> ○ being an individual who is a permanent Australian resident or Australian citizen over 18 years old and resides in Australia; ○ providing sufficient documentation to support their declared income; and ○ having a satisfactory credit rating; • have sufficient income to service a home loan but do not have access to the deposit or requisite equity and want the opportunity to access lower interest rates or retain existing rates from the first mortgage on the basis of lower LVR • are willing and able to pay a higher rate of interest for the loan in exchange for avoiding lenders mortgage insurance that would otherwise be payable to the first mortgagee; • require a loan with the option of a variable rate in order to make additional repayments without a penalty;

- want to make principal and interest repayments to reduce the loan and build equity; and
- require the flexibility to make additional repayments without a penalty.

Variable Rate

Whilst variable interest rates may fluctuate leading to changes to the regular repayment amount, the product meets the likely objectives, financial situation and needs of consumers in the target market because it allows them to make additional repayments and/or deposit additional funds into the loan account to reduce interest payable over the life of the loan.

Purchase Residential Property or Refinance Existing Residential Property

This product allows consumers to finance the shortfall required to purchase an owner-occupied property, or retain first mortgage rates for loans above 80% LVR without having to pay lenders mortgage insurance.

Description of product, including key attributes

- Lending purpose: Owner Occupied Residential Property
- Variable interest rate
- Principal and Interest repayments
- No minimum loan amount
- Maximum loan amount: \$400,000
- Maximum loan term: 15 years
- Repayment frequency – fortnightly or monthly.
- Key fees:
 - Application fee
 - Establishment fee
 - Security review fee
 - Documentation preparation costs and out-of-pocket expenses

Other fees such as ongoing fees and late payment fees may also apply

Classes of consumers for whom the product may be unsuitable:

This product may be unsuitable for consumers who:

- do not meet our eligibility and credit criteria; or
- require interest only repayments; or

	<ul style="list-style-type: none"> • prefer to pay lenders mortgage insurance instead of a higher rate of interest; or • require finance for construction of a residential property. <p>Appropriateness of target market</p> <p>The product has been assessed as being suitable for consumers within the target market because it enables customers to:</p> <ul style="list-style-type: none"> • finance a deposit for an owner-occupied property and access a lower rate of interest on the first mortgage loan on the basis that the loan does not incur lenders mortgage insurance because it is lower LVR; and • borrow against the equity in an owner-occupied property and access a lower rate of interest on the first mortgage loan on the basis that the loan does not incur lenders mortgage insurance because it is lower LVR. 								
<p>Distribution Conditions</p>	<p>Distribution conditions</p> <p>The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <table border="1" data-bbox="560 1048 1426 1982"> <thead> <tr> <th data-bbox="560 1048 863 1111">Channel</th> <th data-bbox="863 1048 1426 1111">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1111 863 1581">Direct – online or by phone or in person</td> <td data-bbox="863 1111 1426 1581"> <p>Only authorised staff are permitted to assist consumers with this product.</p> <p>Authorised staff have the necessary training, skills and knowledge to:</p> <ul style="list-style-type: none"> • discuss the features, costs, benefits, and risks associated with the product with the consumer; • assess whether the consumer is within the target market; and • comply with our other regulatory obligations, such as ensuring that the product is not ‘unsuitable’. </td> </tr> <tr> <td data-bbox="560 1581 863 1816">Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations</td> <td data-bbox="863 1581 1426 1816"> <p>Accredited mortgage brokers are permitted to assist consumers with this product.</p> <p>All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time.</p> </td> </tr> <tr> <td data-bbox="560 1816 863 1982">Mortgage Manager</td> <td data-bbox="863 1816 1426 1982"> <p>Licensed referrers have the necessary training, skills and knowledge to:</p> <ul style="list-style-type: none"> • assess whether the consumer is within the target market; and </td> </tr> </tbody> </table>	Channel	Conditions	Direct – online or by phone or in person	<p>Only authorised staff are permitted to assist consumers with this product.</p> <p>Authorised staff have the necessary training, skills and knowledge to:</p> <ul style="list-style-type: none"> • discuss the features, costs, benefits, and risks associated with the product with the consumer; • assess whether the consumer is within the target market; and • comply with our other regulatory obligations, such as ensuring that the product is not ‘unsuitable’. 	Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations	<p>Accredited mortgage brokers are permitted to assist consumers with this product.</p> <p>All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time.</p>	Mortgage Manager	<p>Licensed referrers have the necessary training, skills and knowledge to:</p> <ul style="list-style-type: none"> • assess whether the consumer is within the target market; and
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<p>Referrers who hold an Australian Credit Licence</p>	<p>Referrers who hold an Australian Credit Licence have the necessary training, skills and knowledge to:</p> <ul style="list-style-type: none"> assess whether the consumer is within the target market; and comply with our other regulatory obligations, such as ensuring that the product is not 'unsuitable'
<p>Review Triggers</p>	<p>The distribution channels and conditions are appropriate because:</p> <ul style="list-style-type: none"> our distributors have been adequately trained to understand the product and our regulatory obligations, including our design and distribution obligations; our approval system has controls in place to flag applicants who may be outside the target market; and accredited mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer. A distributor must: <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; and Comply with the terms and conditions of any relevant distribution agreement or arrangement with the Issuer. <p>These conditions are appropriate because they ensure distributors have the relevant knowledge and skills to distribute the product and are subject to legal obligations and contractual commercial terms agreed between the distributor and Issuer.</p> <p>The review triggers that would reasonably suggest that the TMD may no longer be appropriate include:</p> <ul style="list-style-type: none"> a significant dealing of the product to consumers outside the target market occurs; complaints are received from more than 3% of our customers in relation to the product in a calendar month that exceeds our internal thresholds; a material change is made to the product or the terms and conditions of the product; unexpected early-stage arrears are detected; a significant number of defaults or late repayments occur that exceeds our internal thresholds;

	<ul style="list-style-type: none"> • we have evidence that the product distribution or distributor conduct is inconsistent with this document • the receipt of a product intervention power order from ASIC requiring us to immediately cease retail product distribution conduct in respect of the product; • a significant number of the loans by value or number are subject to formal hardship arrangements that exceeds our internal thresholds. 																		
Review Periods	<p>First review date: 12 months from the date of the TMD</p> <p>Periodic reviews: Every 12 months after the initial review and each subsequent review.</p> <p>Trigger reviews: Review to be completed within 10 business days of the identification of a trigger event or the specified periodic review date.</p>																		
Distribution Information Reporting Requirements	<p>The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:</p> <table border="1" data-bbox="560 853 1430 1962"> <thead> <tr> <th data-bbox="560 853 874 913">Type of information</th> <th data-bbox="874 853 1155 913">Description</th> <th data-bbox="1155 853 1430 913">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 913 874 1160">Specific Complaints</td> <td data-bbox="874 913 1155 1160">Details of the complaint, including name and contact details of complainant and substance of the complaint.</td> <td data-bbox="1155 913 1430 1160">As soon as practicable and within 10 business days of receipt of complaint.</td> </tr> <tr> <td data-bbox="560 1160 874 1256">Complaints</td> <td data-bbox="874 1160 1155 1256">Number of complaints</td> <td data-bbox="1155 1160 1430 1256">Every 3 months</td> </tr> <tr> <td data-bbox="560 1256 874 1581">Significant dealing(s)</td> <td data-bbox="874 1256 1155 1581">Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</td> <td data-bbox="1155 1256 1430 1581">As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td data-bbox="560 1581 874 1812">Feedback</td> <td data-bbox="874 1581 1155 1812">Details of any suggestions or feedback, including in relation to product improvements</td> <td data-bbox="1155 1581 1430 1812">Every 3 months</td> </tr> <tr> <td data-bbox="560 1812 874 1962">Information requested</td> <td data-bbox="874 1812 1155 1962">Any other information requested by the Issuer</td> <td data-bbox="1155 1812 1430 1962">As soon as practicable, and in any case within 10 business days after</td> </tr> </tbody> </table>	Type of information	Description	Reporting period	Specific Complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.	Complaints	Number of complaints	Every 3 months	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware	Feedback	Details of any suggestions or feedback, including in relation to product improvements	Every 3 months	Information requested	Any other information requested by the Issuer	As soon as practicable, and in any case within 10 business days after
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