

TARGET MARKET DETERMINATION

MEDFIN COMMERCIAL PROPERTY LOAN



Determination Criteria	Description
Start Date:	01/10/2024
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:	<p>Medfin Commercial Property Loan</p> <p>A fully featured property loan to use credit secured by commercial property for the purchase, construction, improvement of, or investment in, a medical, dental or veterinary or other health service practice or to secure a line of credit in relation to a medical, dental, veterinary or other health service practice with flexible repayment options, security requirements and fee arrangements.</p>

TARGET MARKET

Target market & product attributes:	Consumer needs and objectives	Product attributes
		<p>A person:</p> <ul style="list-style-type: none"> that wants a fully featured property loan secured by commercial property to purchase, construct, improve or invest in a medical, dental, veterinary or other health practice, or to secure a line of credit in relation to a medical, dental, veterinary or other health service practice who is or will be the owner/occupier of the property or an investor in the property.
	Consumer financial situation	Product attributes
	<p>A person that has a commercial property to secure the loan, and where applicable, has sufficient equity to meet Loan to Value ratio requirements.</p> <p>A person that:</p> <ul style="list-style-type: none"> has access to sufficient income to meet the following payments <ul style="list-style-type: none"> principal amounts due interest amounts due application fee. has a defined exit strategy to pay the outstanding amount due at the end of the loan term. 	<p>Subject to financial conditions, this loan must be secured against a commercial property being:</p> <ul style="list-style-type: none"> a medical practice a dental practice a veterinary practice other health service practice. <p>This product requires minimum payments depending on the options selected, including:</p> <ul style="list-style-type: none"> principal amount and interest repayments interest only repayments interest repayments in advance application fee.

	<p>A person that wants an interest rate that varies with flexible repayment amounts including fixed and variable rates options and the flexibility to make extra repayments.</p> <p>A person that wants to minimise repayments for a defined period by only repaying interest costs.</p> <p>A person that wants access to a line of credit.</p> <p>A person that is not seeking a loan redraw facility.</p> <p>A person not seeking to pay interest in advance.</p>	<p>This property loan provides access to a variable interest rate option with:</p> <ul style="list-style-type: none"> • monthly principal and interest repayments • interest only repayments (not available on the line of credit facility or constructions loans). <p>Variable interest rate option is available for the following types of loans:</p> <ul style="list-style-type: none"> • for the purchase or improvement of a medical, dental, veterinary or other health service practice • for the construction of a medical, dental, veterinary or other health service practice • for investment in a medical, dental, veterinary or other health service practice • to secure a line of credit in relation to a medical, dental, veterinary or other health service practice. <p>Variable interest rate option is not available on annual interest in advance loans</p>
	<p>A person that wants certainty of interest rate costs and repayment amounts during a fixed rate period.</p> <p>A person that wants to minimise repayments for a defined period by only repaying interest costs.</p>	<p>This loan provides access to a fixed interest rate option with:</p> <ul style="list-style-type: none"> • certainty of interest costs and repayment amounts • monthly principal and interest repayments • interest only repayments (not available on the line of credit facility or constructions loans) • interest only payments in advance. <p>Fixed interest option is available for the following types of loans:</p> <ul style="list-style-type: none"> • for the purchase or improvement of a medical, dental, veterinary or other health service practice • for investment in a medical, dental, veterinary or other health service practice. <p>Fixed rate option not available on a line of credit facility or construction loans.</p>
	<p>A person that wants to minimise repayments for a defined period by only repaying interest costs.</p>	<p>This property loan provides access to an interest only option for a defined period subject to approval:</p> <ul style="list-style-type: none"> • only the interest must be paid during the interest only period.

	<p>A person that does not want to:</p> <ul style="list-style-type: none"> • reduce the principal owing on a property loan for a defined period; and • reduce the interest repayments for a defined period. 	<p>Interest only option is available for the following types of loans:</p> <ul style="list-style-type: none"> • for the purchase or improvement of a medical, dental, veterinary or other health service practice • for the construction of a medical, dental, veterinary or other health service practice • for investment in a medical, dental, veterinary or other health service practice • to secure a line of credit in relation to a medical, dental, veterinary or other health service practice.
	<p>A person that wants certainty of interest repayment costs.</p> <p>A person that does not want to make extra repayments payments.</p> <p>A person that does not want a variable interest rate.</p>	<p>This property loan provides access to annual interest only payments due in advance.</p> <p>Extra repayments are not permitted.</p> <p>Interest in advance option is available for the following types of loans:</p> <ul style="list-style-type: none"> • for the purchase or improvement of a medical, dental, veterinary or other health service practice • for investment in a medical, dental, veterinary or other health service practice. <p>Interest in advance not available line of credit facility or construction loans.</p>
<p>Negative Target Market</p>	<p>This product is not suitable for a person seeking to:</p> <ul style="list-style-type: none"> • purchase, construct, improve or invest in residential property • purchase, construct, improve or invest in commercial property that is not a medical, dental, veterinary or other health service practice. 	
<p>Appropriateness statement:</p>	<p>Medfin 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.</p>	

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 Medfin: <ul style="list-style-type: none"> - comply with the terms and conditions of any relevant distribution agreement or arrangement with Medfin - 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 Medfin.</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) as to the product 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 (such as marketing) as to the product through:</p> <ul style="list-style-type: none"> • advertising through comparison sites and rating agencies • Medfin Relationship Managers • Medfin Accredited Brokers • trade publications intended for medical, dental, veterinary or other health professionals. <p>This condition is appropriate as the target market is narrow.</p> <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 to all retail product distribution conduct that is not general advice</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 • 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"> • Medfin Relationship Managers • Medfin Accredited Brokers. <p>This condition is appropriate as the target market is narrow.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified:</p> <ul style="list-style-type: none"> • that the distribution of the product is consistent with the consumer needs, objectives and financial situation defined in the target market for the product • that the loan is for the purchase, construction, improvement of, or investment in a medical, dental, veterinary or other health service practice • that the person is seeking access to a property loan secured by a commercial property issued with the following key attributes:

	<ul style="list-style-type: none"> - no annual fee - fixed and variable repayment terms - flexible loan options based on eligibility and approval including: <ul style="list-style-type: none"> ▪ principal and interest and interest only loan ▪ annual interest in advance loan ▪ line of credit ▪ construction loan • the key difference between: <ul style="list-style-type: none"> - the product; and - other separate products offered by Medfin. <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>
--	---

REVIEW TRIGGERS

Review triggers:	<p>Medfin must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of Medfin identifying a review trigger unless:</p> <ul style="list-style-type: none"> • Medfin 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 Medfin determines it may relate to the appropriateness of the TMD having regard to Medfin's or NAB's internal policies.</p> <p>Medfin will publish notice of a review on its website.</p>
Material complaints	Medfin actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product.
Product Performance	Medfin actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> • evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose) • evidence shows that product is no longer meeting the financial situation, needs and objectives of the target market for whom the product was designed (e.g. default rates, closure / refinance rates, product related hardship requests) • evidence shows substantial sales outside of the Target Market.
Feedback from distributors	Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or key product attributes may no longer be appropriate. Refer to Reporting.
Substantial Product Change	Medfin makes a substantial change to the product terms, conditions or key product attributes including: <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	Medfin receives a notification from ASIC requiring immediate cessation of product distribution, or particular conduct in relation to the product.
	Significant Dealings	Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.

REPORTING

Reporting period:	The Reporting Period for this determination is quarterly during each calendar year: <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:	A distributor must provide the following information in writing as soon as practicable, or within 10 business days after the reporting period.	
	Complaint Information	Complaints related to the risks, key terms, conditions or key attributes of this product including: <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	Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market.
	Significant Dealings	If a distributor becomes aware of a significant dealing in the product or an issue with 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.
	Other Information Requested by Medfin	Any other information requested in writing by Medfin from time to time subject to: <ul style="list-style-type: none"> • The request being necessary to enable Medfin to meet its legal and compliance obligations; and • Medfin providing at least 30 days prior notice before the end of the Reporting Period.

This product is issued by, and the credit provider is, Medfin Australia Pty Ltd ABN 89 070 811 148 Australian Credit Licence 391697 ('Medfin').

Medfin is a wholly owned subsidiary of National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit License 230686 ('NAB') but is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). The obligations of Medfin do not represent deposits or other liabilities of NAB. NAB does not guarantee or otherwise support the obligations of Medfin.