Gateway Bank
Low-Rate Essentials Home Loan (Investment)
Target Market Determination (TMD)
Effective Date: 6th October 2023

bank gateway
Gateway Bank Ltd
ABN 47 087 650 093
AFSL/Australian Credit Licence 238293

About This Document

This Target Market Determination (TMD) applies to Low-Rate Essentials Home Loan (Investment) and is a document of Gateway Bank Limited. ABN 47 087 650 093. AFSL/Australian Credit Licence No. 238293.

This TMD seeks to give our customers, staff, product distributors, and other interested parties an understanding of the class of consumers for whom the product described has been designed, how the product is distributed, and having regard to the likely needs, objectives and financial situation of that class of customers.

This TMD is not, and should not be construed as, a full summary of the product's Terms and Conditions. Nor is it a substitute for the provision of financial advice and does not consider any individual Member's personal needs, objectives or financial situation. Examples used in this TMD are illustrative only and are not intended to be exhaustive.

A customer may fall within the target market described in this TMD but may not meet Gateway Bank Limited's eligibility criteria. When deciding about the product, consumers should refer to the product's Terms and Conditions/Product Disclosure Statement (PDS), which are available from www.gatewaybank.com.au/important-information

Target Market

Product description (including key attributes)

	Low-Rate Essentials Home Loan (Investment)
Borrowing purpose:	▪ Purchase of a Investment property; or ▪ Refinance to repay an existing investment home loan in full. ▪ Cash out/equity release
Repayment types:	▪ Principal & interest; or ▪ Interest only
Interest rate types:	▪ Variable; or ▪ Fixed 1,2,3 or 5 years; or ▪ Split between Variable and Fixed.
Optional feature(s):	Optional feature(s) can be requested by a customer: ▪ Redraw facility – available on variable rate only.
Loan to valuation ratio (LVR)	Lenders Mortgage Insurance is required if borrowing more than 80% of the security property value. ▪ Maximum LVR is up to 90% of security property value. Lenders Mortgage Insurance can be payable upfront, capitalised or a monthly premium.
Key eligibility criteria:	Borrower(s): ▪ Is over the age of 18. ▪ Eligible to become a member of Gateway Bank. ▪ Has the ability to service loan repayments as per the lending eligibility criteria for both lender and LMI provider. ▪ At least a 10% deposit, with Lenders Mortgage Insurance or at least 20% deposit without LMI. Security: ▪ Investment property must be zoned for residential use.

Fees:	▪ **Information on Loan Accounts Fees and Charges is available here: www.gatewaybank.com.au/important-information**

Likely needs, objectives and financial situation

Low-Rate Essentials Home Loan (Investment) is designed for:



Likely needs and objectives

Borrowers looking to purchase or refinance investment property and want their home loan to have:

- **A redraw facility to provide flexibility with the ability to make unlimited additional repayments to reduce interest on a variable rate loan without penalties.**
- **Ability to split your interest type between variable or fixed for 1,2,3 or 5 years.**
- **No application fee or annual fees.**
- **24/7 online banking.**

Likely financial situation

A person who can pay the ongoing loan repayments in accordance with the chosen home loan structure, loan term, repayment, and interest rate type.

Ineligible Persons

Low-Rate Essentials Home Loan (Investment) is not designed for:



- **Properties designed, zoned, or used for purposes other than residential use, such as commercial, industrial, and retail.**
- **A person who requires 100% loan offset account to save on loan interest charges**
- **A person who requires a fee free loan variation request, when changing the structure of an existing Gateway loan.**
- **A person looking for an extra 0.10%p.a. on an advertised Term Deposit rate.**
- **A person who does not have the ability to service ongoing loan repayments and does not have the appropriate level of deposit to meet lender or Lenders Mortgage Insurance lending criteria.**
- **A person who is not eligible to become a member of Gateway Bank.**

Distribution

Distribution channels

The product under this TMD may be distributed or advertised through any of the following means:

- **Online through Gateway Bank Website; or third-party websites**
- **In-store retail branch**
- **Direct sales team**
- **By calling our contact centre**
- **Other third-party distributors such as nationally accredited brokers**

All these channels are monitored by Gateway Bank Ltd and staffed by persons who have been trained in the distribution of the Product covered by this TMD and the Gateway Bank application process.

Distribution conditions and restrictions

The distribution of the product is subject to the following conditions and restrictions:

- The Gateway Bank application process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the Gateway Bank application process would make it more likely that a product covered by this TMD will be acquired by persons in the Target Market.
- Accredited third parties (mortgage brokers) must operate under Australian Credit Licences and have successfully completed Gateway's accreditation training. Both direct and third-party distributors are bound by the terms and conditions of the product and the Target Market described in this TMD.
- Products under this TMD can be distributed either directly by Gateway Bank, or by distributors approved by Gateway Bank.

Review Triggers

We will undertake a review of this TMD in the following circumstances:

- If we make a material change to the design or distribution of the product, including related documentation;
- If a significant inconsistent dealing in the product occurs;
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate;
- An alteration in the eligibility criteria;
- Identified systemic issues in the product or across the product lifecycle;
- Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention;
- Relevant feedback, information or notification received from distributor, regulator such as ASIC or APRA or other interested parties;
- Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and
- Any significant dealings that are inconsistent with the TMD.

Where a review trigger or event occurs, we will review this TMD within 10 business days.

Review Periods

Periodic review

We will undertake periodic reviews of this TMD at least every 12 months from the initial review.
Next review due date: 6th October 2024

Distribution Information

We require distributors to provide the following information in relation to their distribution of the product covered in this TMD:

Complaints and Feedback

All complaints in relation to this product on a monthly basis to Gateway Bank.
All feedback in relation to this product on a monthly basis to Gateway Bank.

Significant dealings

Notification if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.