

## Miracle Car Finance

### TARGET MARKET DETERMINATION

<b>Issuer</b>	<i>Miracle Car Finance Pty Ltd (“Miracle Car Finance”)</i>
<b>Issuer ABN</b>	73121367226
<b>Issuer ACL</b>	389307
<b>Product</b>	<i>Secured Consumer Loan (“the Product”)</i>
<b>Date TMD approved</b>	05/10/2021
<b>TMD Version</b>	[1]
<b>TMD Status</b>	Current

#### **Purpose of this Document**

The purpose of this Target Market Determination (“**TMD**”) is to comply with the Design and Distribution Obligations incorporated under Chapter 7 of the *Corporations Act 2001 (“the Act”)* by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019*.

The TMD aims to provide consumers and distributors with information about the class of consumers that comprises the target market for the Product, taking into account their objectives, financial situation and needs. It also specifies any Product distribution conditions and restrictions and deals with reviews of the TMD as well as distributor arrangements.

#### **Legal Disclaimer**

This document is not a credit disclosure document and does not include all relevant terms and conditions associated with this Product. It does not take into account any person’s individual objectives, financial situation or needs. Individuals interested in making use of this product should carefully read the Issuer’s Credit Guide and any other disclosure documents before making a decision whether to use this Product.

#### **Description of Target Market**

*This section is required under section 994B(5)(b) of the Act*

#### **Target Market Summary**

This Product is likely to be appropriate for a consumer who is seeking an amount of credit between \$5,000 - \$100,000 secured against personal property and repayable over a period of 1-7 years, for the primary purpose of personal use.

The target market has been established by assessing the Product (including its key attributes) and the consumer objectives, financial situation and needs for which the Product is likely to be appropriate. The class of consumers who fall within the target market for the Product is described below, based on the objectives, financial situation and needs of the consumer and the key attributes of the Product.

#### **Description of Consumer Objectives, Financial situation and Needs**

This Product is suitable for persons who:

- Require a fixed interest, secured personal loan for an acceptable loan purpose, including but not limited to the purchase of personal property, payment of medical and other personal expenses, recreational expenses, refinancing, repairs and renovations
- Can provide sufficient security against the loan

- Meet the minimum criteria applicable under the responsible lending requirements imposed by the *National Consumer Credit Protection Act 2009* (“National Credit Act”)
- Can service the principal sum of the loan, establishment fees monthly fees and interest as they accrue over the specified repayment period

### **Excluded Classes of Consumers**

This Product is unsuitable for persons:

- Who do not qualify under the responsible lending requirements imposed by the National Credit Act, will be unable to comply with their financial obligations under the Product terms, or could only comply with substantial hardship
- For whom the Product will not meet their requirements or needs
- Under the age of 18
- Who fall outside the Miracle Car Finance credit and eligibility criteria for a Secured Consumer Loan

### **Description of Product and Key Attributes**

The Product is a Secured Consumer Loan. Key attributes of this Product are:

- Loan amounts range from \$5,000 - \$100,000
- Loan terms range from 1-7 years
- A fixed interest rate, establishment fees and monthly fees are applicable
- Security sufficient to cover the loan is required

### **Product and Target Market Consistency**

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 described in this TMD due to the purposeful design of the Product for the target market.

### **Distribution Conditions and Restrictions**

*This section is required under s994B(5)(c)*

#### **Distribution Methods**

The Product is distributed through the following channels:

1. Direct from Miracle Car Finance:
  - via the Miracle Car Finance website [www.miraclecarfinance.com.au](http://www.miraclecarfinance.com.au);
  - over the phone; or
  - in person
2. Authorised Miracle Car Finance broker partners

#### **Distribution Conditions**

The Product is distributed subject to the following conditions and requirements:

1. Miracle Car Finance direct distribution
  - Providing appropriate staff training prior to dealing with consumers
  - Using screening questions as part of the application process to determine consumer eligibility for the Product
  - Periodic reviewing of website content to ensure effective communication with the target market

## 2. Authorised broker partners

- Must be appropriately licensed to provide credit assistance in relation to the Product
- Need to undertake appropriate product training and demonstrate they are qualified to distribute the Product before engaging in distribution
- Must comply with all Miracle Car Finance policies and guidelines issued to authorised broker partners

### **Factors Considered**

In assessing the appropriateness of the distribution methods, conditions and restrictions, the Issuer has taken the following factors into account:

- The comparatively wide target market for the Product
- The Issuer's ability to restrict distribution by providing sufficient lending guidelines and eligibility requirements
- The Issuer's ability to manage the distribution channels
- The capability of existing distribution methods to reach the intended target market, based on past outcomes

### **Reviewing the TMD**

The Issuer will review this TMD as follows:

#### **Review Triggers**

*This part is required under section 994B(5)(d) of the Act*

If events or circumstances occur that would reasonably suggest that the TMD is no longer appropriate, the Issuer will review the TMD. This may include:

- an event or circumstance that would materially change a factor taken into account in making the target market determination for the Product; for example, an external event such as a change in credit regulation
- a material change to the design or distribution of the Product
- a significant dealing in the Product that is not consistent with the product's TMD
- the nature and extent of any feedback received from Distributors or users of the product; for example, significant changes in customer complaints or loan default rates
- experiencing significant regulatory or compliance issues with industry bodies or government entities such as the Australian Securities and Investments Commission (ASIC) or Australian Financial Complaints Authority (AFCA)

#### **Mandatory Review Periods**

*This part is required under section 994B(5)(e) and (f) of the Act*

**Initial Review:** This TMD will be reviewed within 12 months of the TMD approved date.

**Periodic Reviews:** This TMD will be reviewed at least every 12 months from the initial review date.

### **Distributors: Reporting & Required Information**

*This part is required under s994B(5)(g) & (h)*

#### **Complaints**

Distributors are required to report and detail in writing all complaints in relation to the Product covered by this TMD to the Issuer within 10 business days.

### **Significant Dealings**

Distributors are required to report any significant dealing in the Product that is not consistent with this TMD within 10 business days.

### **Other Distributor Feedback**

Distributors must provide information that suggests that the TMD may no longer be appropriate, or any other information affecting the TMD, as soon as practicable, or at least before the end of the review period.

### **Appropriateness of the TMD**

*This section is required under s994B(5)(c) and s994B(8)(a) &(b)*

The Issuer has reviewed the Product and its key attributes by considering its purpose, past outcomes and likely future outcomes, and has reasonably concluded that the Product is likely to be consistent with the objectives, financial situation and needs of consumers in the target market described above, when offered to the consumer by way of the distribution conditions listed above. The comparatively wide target market of the Issuer has been a factor in assessing why the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed.