Target Market Determination

For Consumer Loan

1. About this document

This target market determination (TMD) is made by RAM Trucks Finance, a registered business name of Automotive Lending Solutions Australia Pty Ltd ABN 70 130 046 794 (RTF) for its Consumer Loan product.

Automotive Lending Solutions Australia trades as RAM Trucks Finance, Nissan Financial Services, LDV Financial Services, Renault Financial Services, Skyline Car Finance and Mitsubishi Financial Services, and this TMD applies to the Consumer Loan as offered under all of these brands.

This TMD describes the class of consumers for which the Consumer Loan has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not a summary of the terms and conditions of the Consumer Loan and is not intended to provide financial advice. Consumers must refer to the terms and conditions for the Consumer Loan when making a decision about this product.

This TMD is effective from 5 October 2021.

2. The Consumer Loan product

The key eligibility requirements and product attributes of the Consumer Loan are:

- Minimum loan amount of $5,000
- Applicants must be individuals and at least 18 years of age. While there is no maximum age requirement, age may be a relevant factor in considering whether the product meets the objectives, financial situation and needs of the consumer.
- Applicants must have a regular income or an alternative source of wealth which is considered appropriate for meeting suitability / servicing requirements.
- Loan terms of between one (1) and seven (7) years.
- Interest is a fixed percentage rate per annum based on either an applicant's risk grade or a national interest rate campaign offer that may be available from time to time.
- Instalments permitted at weekly, fortnightly and monthly repayment frequencies.
- Balloon payments are permitted for vehicles up to four (4) years old and for terms up to five (5) years.
- Credit fees and charges are payable at specific times and in specific circumstances. Some external fees are permitted to be financed, including Loan Establishment Fee and Dealer Facilitation Fees.

3. Target market

The information below describes the class of consumers that fall within the target market for the Consumer Loan, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

Objectives, financial situation, and needs

The Consumer Loan is for consumers who are seeking an amount of credit for the purposes of purchasing a New or Used vehicle that will be for private use, and who would like to use their vehicle to secure the loan.

The Consumer Loan has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the key attributes of the product.

The Consumer Loan has been designed for individuals who:

- seek an amount of credit to purchase a new/demo/used vehicle including on road costs, accessories and/or accredited insurance, extended warranty and vehicle repair plan products, repaid across a specified term; and
- want to purchase the vehicle for private use; and
- want to either own or upgrade the vehicle at the end of term; and
- are able to service the principal balance of the loan and the interest as it accrues; and
- are able to pay the associated fees and charges; and
- are able to provide the deposit amount or other security for the amount of credit.

The following alternative repayment options for the Consumer Loan are designed for individuals in the target market who have the characteristics described below

- **Repayments with no balloon (fully amortising)**: Individuals who want to repay all of the principal balance during the loan term.
- **Repayments with a final balloon:** Individuals who want to defer repayment of a portion of the principal balance and pay a lump sum at the end of the loan term.

Excluded class of consumers

Persons with any of the characteristics below are not in the target market for the product:

- Are individuals under the age of 18 years.
- Are undischarged bankrupts.
- Hold a visa that is not an acceptable type.
- Use the financed vehicle for business purposes such as taxi, hire car or ride sharing purposes.
- Seek a vehicle under finance that is an unrepairable write off or not supplied from the trading stock of an approved licensed dealership.
- Have an income source solely reliant on Government benefits.

Consistency between target market and the product

The Consumer Loan is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market because the Consumer Loan:

- provides credit which can be used to purchase a new/demo/used vehicle including on road costs, accessories and/or accredited insurance, extended warranty and vehicle repair plan products, repaid across a specified term;
- is only available for the purchase of a vehicle if the vehicle for private use;
- enables the consumer to either own or upgrade the vehicle at the end of term; and
- is only approved for persons who are determined to be able to service the loan, including interest and fees, and to provide the deposit amount or other security for the amount of credit.

4. How this product is to be distributed

Distribution channels

The Consumer Loan is to be distributed through:

- approved licensed dealerships; and
- RAM Trucks Finance Loyalty (Direct Sales) team.

Distribution conditions

The Consumer Loan must only be distributed under the following conditions:

- Approved licensed dealerships who offer the Consumer Loan must be parties to a Retail Dealer Agreement with RTF.
- Employees of dealerships who offer the Consumer Loan must be accredited by RTF in order to carry out all their functions in relation to the Consumer Loan.
- All financial advertising and promotional material for the Consumer Loan must be approved by RTF prior to issue to market.
- To individuals that meet the identification and lending criteria.

Adequacy of distribution conditions and restrictions

We have determined that the distribution conditions and restrictions will make it likely that consumers who use the Consumer Loan are in the class of consumers for which it has been designed. This is because the distribution conditions and restrictions are likely to ensure that only consumers in the target market will be offered the product, apply for the product, and be approved for the product. We consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for the Consumer Loan.

5. Reviewing this target market determination

We will review this TMD as follows:

Initial review	Within six (6) months of the effective date of this TMD.
Periodic reviews	At least every two (2) years from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to): • a material change to the design or distribution of the Consumer Loan, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate; • Material external events such as adverse media coverage or regulatory attention that may suggest the TMD is no longer appropriate; and • significant changes in metrics, including, but not limited to, complaints, delinquencies, arrears, early loan payouts and flat cancellation rates; • material change in the proportion of excluded consumers acquiring the product; and • Identified systemic issues in the Consumer Loan product or distribution of the product. Where a review trigger has occurred, this TMD will be reviewed within 10 business days of RTF first knowing of the review trigger.

RTF needs the information about review triggers or events described above to identify promptly whether a review trigger for the TMD has occurred or whether another event or circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate. RTF does not require approved licensed dealerships to provide any of this information, except for information about complaints. The reporting period for reporting of complaints in relation to the Consumer Loan by approved licensed dealerships is SIX MONTHLY. However approved licensed dealerships must initially report all complaints received to RTF within 24 hours after being raised.