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TARGET MARKET DETERMINATION
Medium Amount Credit Contracts

DATE

The date from which this TMD is effective is **3 March 2025**.

INTRODUCTION

This document has been prepared by Ausfinancial Pty Ltd trading as Swoosh Finance to comply with our obligations under Part 7.8A of the *Corporations Act 2001* (Cth). It applies to our "Medium Amount Credit Contract" (**"MACC")** product (as defined in the *National Consumer Credit Protection Act 2009* (Cth)) and is intended to give consumers assistance in determining whether the product is aimed at them, whilst at the same time setting out how we will gauge whether the product is meeting its intended market. This document is called the Target Market Determination, hereinafter referred to as "TMD".

This TMD is also intended to provide consumers and, where appropriate, distributors with an understanding of the class of consumers for whom the product has been designed. It considers the objectives, needs and financial situation of those consumers in the target market.

This TMD is not intended to replace other documents related to our MACCs which we expect consumers to rely on when deciding whether to enter into our MACCs. Those other documents include the credit guide, and the credit contract that sets out the MACC's terms and conditions, which will be sent to consumers prior to entry into a MACC with us.

OUR MACC PRODUCT AND ITS KEY ATTRIBUTES

The key attributes of our MACC product are:

1. a minimum loan amount of $2,200.
2. a maximum loan amount of $5,000 including upfront fees and charges.
3. a fixed loan term of twelve (12) months.
4. repayments aligned to a consumer's pay cycle (either weekly, fortnightly or monthly) payable by recurring direct debits through a third-party service provider.
5. a fixed annual interest rate of 47%.
6. fixed fees totalling $420.00 (comprising an establishment fee of $400, Registration Check fee of $2, Personal Property Securities Register (**PPSR**) fees of $6 and a Credit Check fees of $12).
7. the loan will be secured over a chattel owned by the consumer which is registerable on the PPSR.
8. other fees which might become payable are a dishonoured payment fee of $39.95, a reschedule fee of $25, and a fee of $1.99 for every repayment made by direct debit.
9. no increased default interest rate should an account fall into arrears.
10. repayments are repayable early without penalty.

TARGET MARKET

The target market for our MACCs is consumers who:

1. are 18 years of age or over.
2. are Australian citizens, permanent residents, or valid visa holders.
3. have a fixed residential address, contact telephone number, and email address.
4. are employed and have been employed for 3 months.

5. may or may not have recent credit defaults and as a result may experience difficulties in obtaining credit through mainstream lenders.
6. do not qualify for a “No Interest Loans Scheme” loan or a Centrelink advance payment.
7. require a regulated consumer loan of an amount between $2,200.00 and $5,000.00 including all upfront fees for an emergent or discretionary item that cannot be funded with savings and which is for a legal purpose (gambling excluded).
8. want a simple online application process and rapid response with same day approval (subject to the time of application).
9. can provide at least 90 days of relevant bank statements (for all accounts held) for our lending suitability assessment.
10. can afford to repay, without hardship, the loan and all fees and charges associated with the loan over the 12 month loan term.
11. hold an Australian bank account from which repayments can be direct debited.
12. can provide adequate security registerable on the PPSR.
13. will enter into a MACC with the key attributes described above.

All loans are subject to our credit policy and responsible lending suitability assessment.

CONDITIONS AND RESTRICTIONS ON SUPPLY

Our MACCs have **not** been designed for any consumer who:

1. is currently unemployed, has been employed for less than 3 months, or is otherwise solely reliant on Centrelink benefits.
2. is utilising the paid services of a debt management or budgeting provider to manage and control all their finances.
3. was made a bankrupt within the last 12 months (from date of the application) or under a current debt agreement (for example: a Part IX Debt Agreement) and/or is currently subject to a garnishee order.
4. is unable or unwilling to provide 90 days’ worth of bank statements (for all accounts held) for the purpose of us undertaking a credit suitability assessment.
5. has bank account statements which suggest excessive spending on gambling or alcohol.
6. is seeking a loan to pay accumulated arrears on an existing credit facility (which would indicate financial hardship).
7. is in financial hardship (which may be evident by reduced payments to other creditors) and/or who in our opinion is likely to be so in the foreseeable future.
8. does not presently have the capacity to repay the loan within the 12 month loan term.
9. cannot commit to meeting the repayments by recurring direct debit in line with their pay cycle over the 12 month loan term.
10. cannot provide an acceptable security registered in their name that is registerable on the PPSR.

Based on the description of the target market above, we believe that it is unlikely that our MACCs will not meet the target market. We believe that our policies and procedures for assessing a consumer’s ability to meet repayments under our MACCs will mean that our MACCs are likely to meet the objectives, needs and financial situation of members of the target market. Nevertheless, if any of the review trigger events described below occur, we will review this TMD.

DISTRIBUTION METHODS AND CONDITIONS THAT MAKE THAT DISTRIBUTION APPROPRIATE

It is intended that our MACCs will be distributed to consumers as follows:

Direct distribution

Distribution by this method will be through our website. All employees involved in supporting this form of distribution are required to undergo training to ensure that consumers provide sufficient information and documentation as part of our application and suitability assessment processes to ensure that those consumers are within the target market set out in this TMD.

REVIEW

We will review this TMD if any of the following triggering events occur, or if an event or circumstance has occurred that would reasonably suggest the TMD is no longer appropriate:

- a material change to the key attributes of our MACCs.
- where more than 5% of our customers who entered into MACCs within the previous 3 months are not in the target market, assessed on a quarterly basis. We will treat this as a "significant dealing" and report it to ASIC within 10 business days;
- where there are unexpected trends in consumer experiences of our MACCs including if:
  - more than 8% of our customers who entered into MACCs have their first three direct debit repayments dishonoured.
  - more than 8% of our customers who entered into MACCs in a quarter make a hardship application during that same quarter, assessed at the start of the next quarter.
  - there is an increase of more than 8% in the number of complaints received through our internal dispute resolution (IDR) process over a 3-month period compared to the previous quarter, assessed on a quarterly basis.
  - there is an increase of more than 8% in the number of complaints about our MACCs received via the Australian Financial Complaints Authority (AFCA) categorised as either stemming from a suitability assessment or hardship over a 3-month period compared to the previous quarter.
  - there is an increase of more than 10% in the number of customers who are in arrears over a monthly period compared to the previous month, assessed on a quarterly basis.
- where there is an amendment to the *National Consumer Credit Protection Act 2009* (Cth) or any associated Act or Regulation which has the effect of materially altering the legislative requirements relating to the provision of MACCs.

We will review this TMD annually to ensure that it remains appropriate. The review will commence on 1 August each year and will be concluded by 31 August each year to enable an amended TMD (if any) to be published by 5 October each year.