

# Line of Credit - \$400 to \$10,000

## Target Market Determination

<b>Product Name</b>	<b>Cash Converters Line of Credit ("LOC")</b>
<b>Product Issuer</b>	Cash Converters Personal Finance Pty Ltd ACN 110 275 762
<b>Product Class</b>	Continuing Credit Contract

### Purpose

This document is a prescribed document under the Corporations Act 2001 (Cth) to describe the class of person (the target market) for whom the product was designed. **It is not advice.** Please contact us directly on 132 274 or [pfonline@cashconverters.com](mailto:pfonline@cashconverters.com) if you have any questions related to our Target Market Determination page at [www.cashconverters.com.au/loans/tmd](http://www.cashconverters.com.au/loans/tmd)

### Consumer Target Market

#### Target Market

The LOC with \$400 to \$10,000 limit is designed for persons who meet the following requirements:

- Must be employed; and
- Must be between 18 and 79 years of age; and
- Must hold an Australian bank account; and
- Must have a permanent residence address in Australia

These persons may also have one or more of the following characteristics:

- May receive part of their income via payments under the Social Security Act; or
- May be regular users of alternative financial products to supplement their income (such as Small Amount Credit Contracts, Buy Now Pay Later, or Early Wage Access products); and

#### Customer objectives (purpose of obtaining credit)

- Want to use the borrowings to purchase assets, conduct home or vehicle repairs, cover life events, or pay for expenses to the benefit of the consumer or their dependents
- May want to have access to a revolving line of credit giving them the option to redraw borrowings when needed up to an agreed maximum credit limit. Not all customers in the target market are expected to utilise the redraw feature

**Product Name**      **Cash Converters Line of Credit (“LOC”)**

**Consumer Target Market**

**Customer needs (credit amount and term)**

- Have a need to borrow between \$400 to \$10,000
- Want the certainty of repaying the borrowings through an agreed schedule of regular minimum repayments
- Want the ability to repay each draw/redraw over a planned term of:
  - up to 18 months for credit limits from \$400 to \$2,000
  - up to 36 months for credit limits from \$2,001 to \$10,000
- Want to receive the borrowing into their bank account (rather than over the counter as cash)

**Customer financial situation**

- May have had within the last 90 days missed repayments, credit defaults or paid default fees
- May have within the last 90 days overdrawn their bank account
- Have an acceptable source of income (at least \$600 per week) comprised of net employment salary, net other income and/or net Centrelink benefits

The LOC with \$400 to \$10,000 limit is not designed for customers who:

- Receive benefits from Centrelink and those gross benefits represent 50% or more of the customer’s total income
- Are bankrupt or are currently under a Part IX debt agreement
- Are receiving Crisis Payment for National Health Emergency (CPNHE) or any other Emergency Crisis Payments whilst also receiving Centrelink benefits
- Are under a substantial financial hardship, or have an existing hardship payment arrangement with Cash Converters
- This product is not designed for, nor appropriate for loan objectives relating to gambling or illegal activities.

All credit limits and borrowings are subject to the lender’s credit policy and responsible lending suitability assessment.

**Product Features**

This product provides customers with access to an approved line of credit that can be repaid and redrawn within the available limit at any time. It has the following key product features:

- Available online or through our national store network
- Customers can redraw up to the available credit limit at any time during the contract. The use of the redraw feature is optional. The availability of this redraw feature is subject to internal credit policy (for example, and not limited to, resolved default payments)
- This redraw feature is available via the “MyLoans” mobile app or over the phone
- Credit limits from \$400 up to \$10,000
- No establishment fee
- No penalty or fees for early loan repayments
- The availability of the redraw feature does not attract fees

**Product Name**      **Cash Converters Line Of Credit ("LOC")**

**Product Features**

- Each draw and redraw can be repaid for a term of:
  - up to 18 months for credit limits from \$400 to \$2,000
  - up to 36 months for credit limits from \$2,001 to \$10,000
- Interest rate of 48% per annum on withdrawals and redrawn borrowings
- A default fee of \$33 is applicable on any missed payments
- The total monetary amount that can be recovered from the customer, if there is default in repayment, is capped at twice the total amount of credit provided in relation to the contract

**Conditions**

To ensure this product is directed towards the target market, the following conditions and restrictions apply to its distribution:

- Distributors must be an Australian Credit Licence ("ACL") holder, an ACL representative or operate under a valid National Consumer Credit Protection Act 2009 exemption or defence.
- All persons engaging in retail product distribution conduct must have completed all necessary internal credit, Design and Distribution and Internal Dispute Resolution training modules.
- All distributors are required to apply Cash Converters Personal Finance Credit Policy when assessing a loan application and record all dealings in Cash Converters proprietary loan origination system

This product is likely to be consistent and aligned with the identified target market's needs, objectives and financial situation due to the following origination process, controls, and features:

**Distribution Considerations**

- Consumers must complete an application form declaring their needs and objectives, their sources of income and their essential living expenses
- Consumers must provide bank account statements covering the preceding 90 days for a suitability check to be undertaken and to verify their declared income and expenses
- Consumers receiving government benefits must provide the income statement issued by Services Australia (Centrelink Income Statement)
- Consumers must pass our ID verification process
- A credit enquiry of the consumers credit file history is conducted to further verify their financial situation

The above origination process and distribution conditions are essential to ensure that:

- Cash Converters' Reasonable Steps controls have been followed;
- Existing controls such as responsible lending are applied;
- All distributors understand their obligations to ensure that each customer is within the product's target market before engaging in retail product distribution conduct; and
- Reporting and monitoring data can be collected efficiently.

**Product Name** **Cash Converters Line Of Credit ("LOC")**

The following are review triggers that require the issuer to review this TMD within 10 business days:

- Significant increase (as referenced by an increase beyond normal historical patterns) in the numbers of complaints, indicating that the product didn't meet the customer's objectives, needs or financial situation
- Significant increase (as referenced by an increase beyond normal historical patterns) in the number of hardship applications within 6 weeks of the loan being issued
- Significant increase (as referenced by an increase beyond normal historical patterns) in the number of missed repayments within 6 weeks of the loan being issued
- A Systemic Issue is identified by the Australian Financial Complaints Authority (AFCA)
- Material changes to the laws applicable to this product, the product features or terms or the distribution method
- Significant dealings outside target market, unless isolated to the conduct of a single distributor

**When subsequent reviews must occur** A maximum of 12 months from the previous review date

**Reporting periods for distributors to report complaints**

The following information must be reported to Cash Converters Pty Ltd using standard reporting procedures:

Product Complaints

- Immediately following a complaint that is not resolved through an initial discussion.

Significant Dealings

- Immediately following the identification of a potential significant dealing.

**Information that must be reported**

Distributors must report the following to Cash Converters Pty Ltd using standard reporting procedures:

- Complaint information (product complaints and conduct complaints); and
- Nature of the Potential significant dealings.

All other indicia required to monitor the review triggers is recorded by Cash Converters Pty Ltd on-behalf of the Cash Converters Group\*\* and its distribution network and will be monitored on an on-going basis.

\*\*the Cash Converters Group includes Cash Converters Pty Ltd and its related bodies corporate (as defined in the Corporations Act 2001) and the franchisees operating within the Cash Converters Franchise Network.

**Issue Date:** 31/01/2023

**Last Review Date:** 17/10/2024

**Next Review Date:** 04/10/2025