

# Small Personal Loan - \$400 - \$2,000

## Target Market Determination

Product Name	Cash Converters Small Personal Loan ("SPL")
Product Issuer	Cash Converters Personal Finance Pty Ltd ACN 110 275 762
Product Class	Small Amount Credit Contract ("SACC")
Purpose	<p>This document is a prescribed document under the <i>Corporations Act 2001</i> (Cth) to describe the class of person (the <b>target market</b>) for whom the product was designed. <b>It is not advice.</b></p> <p>Please contact us directly on 132 274 or <a href="mailto:pfconline@cashconverters.com">pfconline@cashconverters.com</a> if you have any questions related to our Target Market Determination page at <a href="http://www.cashconverters.com.au/loans/tmd">www.cashconverters.com.au/loans/tmd</a></p>

### Consumer Target Market

#### Target Market

The SPL is designed for persons who meet the following requirements:

- Are between 18 and 79 years; and
- Hold an Australian bank account; and
- Have a permanent residence address in Australia.

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

- May not be employed; or
- May receive part or all 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 (BNPL), or Early Wage Access products.

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

- Want to use the borrowings to purchase assets, conduct home or vehicle repairs, cover life events, cover emergency expenses or pay for items or services to benefit them or their dependents.

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

- Have a need to borrow between \$400 and \$2,000
- Want the ability to repay the loan over a planned term ranging between 2 and 12 months
- Want the certainty of repaying the borrowings through an agreed schedule of regular minimum repayments
- Want to receive the borrowings into their bank account (rather than over the counter as cash).

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Consumer Target Market	<p><b>Customer financial situation</b></p> <ul style="list-style-type: none"> <li>Have an acceptable source of income (at least \$500 per week) comprised of net employment salary, net other income and/or gross Centrelink benefits.</li> <li>May have had within the last 90 days missed repayments, credit defaults or paid default fees.</li> <li>May have within the last 90 days overdrawn their bank account.</li> </ul> <p>The SPL is <u>not</u> designed for customers who:</p> <ul style="list-style-type: none"> <li>Are seeking to commit more than 10% of the available net income to SACC loan repayments.</li> <li>Are bankrupt or are currently under a Part IX debt agreement</li> <li>Are receiving Crisis Payment for National Health Emergency (CPNHE) or any other Emergency Crisis Payments whilst also receiving Centrelink benefits</li> <li>Are under substantial financial hardship, or have an existing hardship payment arrangement with Cash Converters</li> <li>This product is not designed for, nor appropriate for loan objectives relating to gambling, alcohol, or illegal activities.</li> </ul>
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Product Features	<p>This product has the following key features:</p> <ul style="list-style-type: none"> <li>Available online or through our national store network</li> <li>Loan amounts from \$400 up to \$2,000</li> <li>A one-off establishment fee of 20% of the loan amount</li> <li>A flat monthly fee of 4% of the loan amount</li> <li>A default fee of \$33 is applicable on any missed payments</li> <li>Can be repaid for a term between 2 to 12 months</li> <li>Regular repayments can be set to weekly, fortnightly or monthly</li> <li>No penalty or fees for early loan repayments</li> <li>Loan does not require a collateral (it is unsecured credit)</li> <li>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</li> <li>Loan amount is transferred to the customer bank account.</li> </ul>
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Distribution Considerations	<p><b>Conditions</b></p> <p>To ensure this product is directed towards the target market, the following conditions and restrictions apply to its distribution:</p> <ul style="list-style-type: none"> <li>Distributors must be an Australian Credit Licence ("ACL") holder, an ACL representative or operate under a valid <i>National Consumer Credit Protection Act 2009</i> exemption or defence.</li> <li>Distribution of the product is limited to the Cash Converters store network in Australia, via our proprietary mobile phone app "MyLoans" and via the Cash Converters website (<a href="https://www.cashconverters.com.au">https://www.cashconverters.com.au</a>)</li> <li>All persons engaging in retail product distribution conduct must have completed all necessary internal credit, Design and Distribution and Internal Dispute Resolution training modules.</li> <li>All distributors are required to record all dealings in Cash Converters proprietary loan origination system.</li> </ul>
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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:

- Consumers must complete a loan application 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 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 are 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
- Reporting and monitoring data can be collected efficiently.

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<b>Review Triggers</b>	<p>The following are review triggers that require the Issuer to review this TMD within 10 business days:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• 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</li> <li>• A Systemic Issue is identified by the Australian Financial Complaints Authority (AFCA)</li> <li>• Material changes to the laws applicable to this product, the product features or terms, or the distribution method</li> <li>• Significant dealings outside target market, unless isolated to the conduct of a single distributor.</li> </ul>
<b>When subsequent reviews must occur</b>	<p>A maximum of 12 months from the previous review date.</p>
<b>Reporting periods for distributors to report complaints</b>	<p>The following information must be reported to Cash Converters Pty Ltd using standard reporting procedures:</p> <p>Product Complaints</p> <ul style="list-style-type: none"> <li>• Immediately following a complaint that is not resolved through an initial discussion.</li> </ul> <p>Significant Dealings</p> <ul style="list-style-type: none"> <li>• Immediately following the identification of a potential significant dealing.</li> </ul>
<b>Information that must be reported</b>	<p>Distributors must report the following to Cash Converters Pty Ltd using standard reporting procedures:</p> <ul style="list-style-type: none"> <li>• Complaint information (product complaints and conduct complaints)</li> <li>• Nature of the potential significant dealings.</li> </ul> <p>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.</p>

\*\*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:** 05/10/2021

**Last Review Date:** 07/06/2024

**Next Review Date:** 07/06/2025