Target Market Determination (TMD)

Construction Home Loan

Issued by Firstmac Limited ("Firstmac")
ABN 59 094 145 963 and Australian Financial Services and Australian Credit Licence 290600

Effective Date: 21 September 2026

This Target Market Determination (TMD) has been prepared in accordance with the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (Cth) and associated Regulations.

TMDs are designed to assist issuers to ensure that the financial products they issue are likely to be consistent with the likely objectives, financial situation and needs of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

This document does not provide a complete description of all product features, fees, or terms of the product. Consumers acquiring this product should carefully read the 'Loan Contract Terms and Conditions' before deciding whether to proceed with the product.

This TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior to acquiring the product to ensure that it is appropriate for their particular objectives, financial situation and needs.

1. Product

Construction Home Loan – a variable rate construction loan with progressive drawdowns for customers who are building a residential property.

2. Target Market

This product is likely to be consistent with the needs, objectives and financial situation of customers in the target market who want to borrow money to:

- Build a new residential property or renovate an existing residential property

Key Product Attributes

The following are the key attributes of this Product:

- Maximum loan amount of A$1,500,000[1] and minimum loan amount of A$50,000.
- Maximum Loan to Value Ratio (LVR) of 90%[1], with Lenders Mortgage Insurance or Lenders Risk Fee applicable when the LVR exceeds 80%.
- Minimum loan term of 15 years and maximum loan term of 30 years.
- Interest only repayments during the construction period, reverting to principal and interest repayments after construction is complete.
- A maximum construction period of 12 months.
- A loan with progressive drawdowns during the construction period.
- Available for owner occupied or investment purposes.
- A variable interest rate.
- The option to extend interest only repayments up to 5 years in total.

1. Loan amount and LVR sub-limits may apply based on security location, security type and/or repayment type.

- Monthly repayments during any interest only period, with weekly, fortnightly or monthly repayment options available following conversion to principal and interest repayments.
- Fees and charges include:
  - Settlement Fee
  - Construction Assessment Progress Fee
  - Government Fees and Charges
  - Discharge Fees
  - Other fees and charges may apply, as set out in the loan contract.
- At the conclusion of the construction period, the loan will revert to a Standard Home Loan (see Standard Home Loan TMD).

Additional Product Attributes – Variable Interest Rate

This interest rate option is likely to be appropriate for consumers within the target market who:

- Want a home loan where the interest rate and associated repayment amount can change at any time during the loan term.
- Want flexibility to make unlimited additional payments[2].
- Want the ability to redraw extra payments made over the minimum amount[2].

Additional Product Attributes – Interest Only Repayment Option

This repayment option is likely to be appropriate for consumers within the target market who:

- Want the ability to pay interest only on the outstanding loan balance for the term of the interest only period.
- Understand that they may pay more interest over the life by not paying down the principal during the interest only period.
- Understand that repayments will revert to principal and interest at the conclusion of the interest only period.
- Understand that interest only repayments can only be made monthly.

Attributes of a 100% Offset Sub-Account (optional)

This loan feature is appropriate for consumers within the target market who:

- May have additional funds and wish to use those funds to reduce the interest payable on their loan whilst retaining access to the funds.
- Want the balance in the sub-account to be offset against the amount owed on the home loan when calculating the interest.
- Want the availability of a Visa Debit Card to access those funds (refer to Visa Debit Card TMD).
- This feature is only available for variable interest rate options.

An offset sub-account is not available during the construction period.

Key Eligibility

The key eligibility criteria of this Product are:

- Individuals 18 years or older at the time of application.
- Applicants who:
  - Are Australian or New Zealand citizens who are living & working in Australia or New Zealand, or
  - living and working in Australia and have permanent residency status.

2. The ability to make additional repayments and redraw additional payments is not available during the construction period.

- Have an acceptable credit rating, ongoing and stable employment and meet our credit and eligibility criteria including the ability to demonstrate their capacity to repay the loan over a period of time.

Consumers for whom this product may not be appropriate

This product is unlikely to meet the needs, objectives and financial situation of consumers who:

- Are not building or renovating a property.
- Require a loan with the option of a fixed interest rate.
- Require an offset sub-account
- Are not an Australian or New Zealand citizen or resident.
- Do not meet our credit or eligibility criteria.
- Cannot demonstrate their capacity to repay the loan over the proposed term.
- Do not have ongoing income or employment, or receive the majority of their income from government support or child maintenance payments.
- Require a loan greater than $1,500,000, a loan term greater than 30 years, and/or require a loan with Loan to Value Ratio (LVR) greater than 90%.

3. Distribution Conditions

This product is designed to be distributed to consumers through the following channels:

- Firstmac accredited and licensed mortgage brokers (Direct Brokers),
- Accredited and licensed brokers through Firstmac accredited Aggregators (Broker Channel); and
- Firstmac internal sales staff (Direct Retail Channel).

The distribution channels and conditions are appropriate because:

- Internal sales staff are appropriately trained and have the necessary skills and knowledge to distribute the Product in accordance with this TMD and appropriate monitoring programs are in place, such as call sampling and quality assurance reviews;
- Accredited brokers undertake appropriate training as part of the accreditation and onboarding process prior to being authorised to distribute this product;
- Accredited brokers must demonstrate adequate skills and knowledge to distribute the product in order to meet our accreditation requirements; and
- Accredited brokers are appropriately licenced and are subject to a professional duty to ensure that the Product meets the requirements and objectives of the particular consumer.

Prior to application, the distributor must confirm that the consumer:

- Meets the key eligibility listed above,
- Is seeking a residential construction loan and has requested a loan size, LVR, term, interest rate type and repayment option that are within the specified product attributes.

4. Review of the Target Market Determination

Initial Review	12 months from the Effective Date detailed above
Periodic Reviews	Every 12 months from the Initial Review date.
Review Triggers	Events that may suggest that the TMD is no longer appropriate, that may result in an earlier review of the TMD include: • Significant changes in metrics that are significantly inconsistent with the intended product performance including: - Material number of requests post settlement for loan features that are not available under this product; - Significant increase in complaints; - Significant or unexpected declined applications or customers in default or hardship when measured against internal metrics. • Material changes to the product such as changes to: - Key attributes or features; - The terms and conditions; - Credit criteria; - Changes to the fees. • Material changes from regulatory requirements; • External events such as media coverage or regulatory feedback that suggest that the target market for the product might not be appropriate; • Significant dealing of the product to consumers outside the target market occurs; • A change in distribution channels or distribution conditions. • A notification from ASIC requiring the immediate stop of the product.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

5. Reporting

Distribution Information Reporting Requirements

Distributors must provide Firstmac with the following information:

- The details of any complaint received, as well as the number of complaints received in each quarter ending March, June, September and December.
- The details of any breach or incident relating to these distribution conditions received in each quarter ending March, June, September and December.
- Any dealing in the product which is not consistent with the TMD. This information must be provided as soon as practicable, and in any case within 10 business days after becoming aware of the dealing.

Reporting should be directed to customercare@firstmac.com.au