

Target Market Determination

For AFS Secured Consumer Loans

1. About this document

This Target Market Determination (TMD) seeks to offer consumers, distributors, and staff with an understanding of the class of consumers (as that term defined in section 5 of the National Credit Protection Act 2009) for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to and any supplementary documents which outline the relevant terms and conditions under the product when deciding about this product.

In this document, "we", "us", "our", "Automotive Financial Services" or "AFS" refers to Automotive Financial Services Pty Ltd (ABN 73 003 622 375), Australian Credit Licence 383762.

2. Terms and Conditions to which this TMD applies

This TMD applies specifically to personal loan products referred to below, to which the following Terms and Conditions apply: [AFS Terms and Conditions](#)

Secured Consumer Loans \$5,000 - \$100,000

3. Date from which this TMD is effective

30 November 2023

4. Next Review Date

6 December 2024

5. Target Class

This TMD describes likely objectives of the financial situation and financial needs of the class of consumers for the Products (**Target Class**), as well as the key attribution of the Products.

The AFS Secured Consumer Loan has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product features and attributes below. The Secured Consumer Loans are for those who are seeking an amount of credit for the purchase of a vehicle or asset for domestic or personal use.

6. Product description and key attributes

The key attributes of the AFS Secured Consumer Loan are:

All AFS loan products are fixed interest rates

	Property Owner	Renter	Boarder or other residential status
Loan Terms	12 - 84 months	12 - 84 months	12 - 84 months
Credit available	Up to \$100,000	Up to \$100,000	Up to \$100,000
Origination Fee	Up to a maximum \$990		
Establishment Fee	\$495		
Credit Search Fee	\$7.75		
Security Registration Fee	\$9.85		
Monthly Administration Fee	\$15		
Early Termination Fee	\$600 reduced on a pro-rata basis each month based on the contract term		
Acceptable assets include most auto and leisure assets			

Objectives, financial situation, and needs

These products have been designed for individuals who:

- need an amount of credit to purchase an asset for domestic or personal use
- require repayments across a specified or agreed term
- can service the principal balance of the loan and the fees and interest as it accrues
- are employed

This product is not suitable for consumers who are:

- under the age of 18
- unemployed
- insolvent

Consistency between target market and the product

The secured consumer loan product has been designed to suit a wide target market of consumers who require access to funds for the purchase of an asset for personal use.

Consumers in this class require access to credit particularly for transport, to enhance their employment opportunities and their lifestyle overall.

7. How this product is to be distributed

Distribution channels

This product is designed to be distributed through the following means:

- Through AFS accredited finance brokers (who hold an Australian Credit Licence or have been appointed as an Authorised Credit Representative of an Australian Credit Licence) across Australia
- Through AFS accredited dealerships across Australia
- Through AFS approved referral partners
- Direct Consumer Application via website www.afs.com.au

Distribution conditions

AFS has distribution conditions in place designed to help ensure this product is only sold to consumers in the Target Class.

These conditions include such measures as:

AFS (direct) on the proprietary website

- Knockout questions on application to determine whether the consumer is meeting the eligibility requirements for the product
- Website content is reviewed to ensure appropriate messaging to the target market

For all other distribution

- Accreditation and onboarding of finance brokers and dealerships to confirm they are qualified to distribute the products
- Provision of AFS' eligibility criteria to accredited brokers, dealerships and referral partners to ensure the consumer loan products are being recommended consumers within the Target Class.
- Checklists are provided to distributors which outlines information AFS requires from the consumer (via the distributor) to verify information as well as perform a credit assessment
- AFS' Business Development Manager (BDM) is a point of contact for all approved brokers and referral partners to clarify any questions of eligibility

If AFS becomes aware that the distribution conditions outlined in this TMD are no longer adequate such that consumers outside of the Target Class are able to gain access to the product, that distribution channel shall be immediately reviewed.

8. Adequacy of distribution conditions and restrictions

- Implementation of suitability and eligibility questions through the application process allows AFS' proprietary platform to identify those applicants who do not meet the criteria for the products prior to any loan offer being made to a consumer.
- Provision of the reference material such as checklists to accredited brokers and dealerships means the consumer's required information is received by AFS to enable assessment of suitability and eligibility prior to a product being offered. Agreements with referral partners are made taking into consideration their access to the Target Class.
- Finance brokers and dealerships that are accredited with AFS typically share and have access to the Target Class.

9. Reviewing this TMD

We will review this TMD in accordance with the below:

Initial review	Within two years of the effective date.
Periodic reviews	At least every two 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 not limited to): • a material change to the design or distribution of the product, including related documentation • occurrence of a Significant Dealing • distribution conditions found to be inadequate • an external event that would create a material change to the design and distribution of the product such as any changes to the legislation, media coverage or regulatory feedback • significant changes in metrics, including, but not limited to, complaints, hardship applications, arrears, approved loans per accredited finance broker and per approved referral partner • as a result of feedback or guidance from the Ombudsman, the Australian Financial Complaints Authority (AFCA), or the regulatory body Australian Securities and Investments Commission (ASIC) • any other reasonable circumstances which AFS reasonably believes will warrant a review of this TMD

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

10. Reporting and monitoring this TMD

AFS will hold metric information such as arrears, hardship applications, approved, declined and withdrawn application volumes and won't need to verify this with distributors. AFS will therefore collect the following information from all distributors in relation to this TMD:

Complaints	Confirmation in writing to AFS detailing complaints in relation to the product covered by this TMD as soon as the distributor become aware of the complaint.
Feedback and reviews	Any anecdotal feedback and/or reviews received from the customer in relation to the secured consumer loan product on a quarterly basis.
Dealings outside the TMD	As soon as practicable, information about a transaction that falls outside the TMD
Significant dealings	Report to ASIC and AFS if they become aware of a significant dealing in relation to this TMD within 10 business days.

AFS frequently monitors application and sales volumes to ensure distribution of the product is reaching the Target Class. Where the application and/or sales volumes of an accredited finance broker or dealership is lower than reasonably expected, AFS will review the arrangement with the accredited finance broker or dealership, and specifically the accredited finance broker's or dealership's access to the Target Class. A review by AFS may result in the distributor no longer distributing the product.