

Realty Assist Australia Pty Ltd

Target Market Determination – VPACollect

About this document

This target market determination (TMD) seeks to offer consumers, distributors, and staff with an understanding of the class of consumers 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 terms and conditions of our personal loan product., which are set out in our loan terms and conditions which are available on request. You must refer to the relevant loan terms and conditions applicable to the product when deciding about whether or not to take a loan from us. Different terms and conditions apply depending on the amount of the loan you take from us.

When we refer to “us” or “we” in this document it is a reference to us, Realty Assist Australia Pty Ltd which is the issuer of the personal loan product.

Name of Product	VPA Collect
Name of Issuer	Realty Assist Australia Pty Ltd trading as 'VPACollect' ("Realty Assist")
Date of this Target Market Determination	5 October 2021
Overview - Description of Target Market and Product	<p>VPACollect is a lending product offered by Realty Assist which offers vendors of residential (and certain commercial) properties access to funding for marketing, furniture styling and cosmetic improvements – known as Vendor Paid Advertising (VPA) – once they have agreed on a marketing schedule with their real estate agent.</p> <p>The vendor has a choice to pay for these costs up-front or to defer payment of these costs to, where possible, better align the payment obligation for these costs with receipt of the sale proceeds or release of deposit funds.</p> <p>The typical consumer that wishes to use our product is a person who does not wish to pay for the above type of expenses upfront but wish to defer the payment obligation to better align with the receipt of the sale proceeds or release of deposit funds.</p> <p>The product is a fixed cost short-term credit product used for funding marketing, furniture styling and cosmetic improvements in order to market residential or commercial properties for sale.</p> <p>The product is only provided to consumers who are assessed as eligible to receive it. All consumers must provide required documentation and supporting evidence in their application for the product. Unless the lender's criteria are met, consumers will not be eligible to receive the product.</p>

Eligibility criteria for our loans	<p>To be eligible for one our loans, you must:</p> <ul style="list-style-type: none"> • be aged 18 or over; • own a property that has or will be listed for sale with a real estate agent; • agree to use the loan proceeds for ‘Vendor Paid Advertising’ expenses, including funding for marketing, furniture styling and cosmetic improvements; • require a credit facility that may be secured by a real property mortgage to assist with maximising the sale price of their property by allowing them to cover the cost associated with preparing and selling their property (excludes large scale structural renovations); • be able to repay the outstanding debt on its due date for repayment (as outlined below if the section headed “loan features”); • have sufficient available equity in the property they have sold to borrow against; and • complete our online application process. <p>This product is consistent with the needs and objectives of customers who are seeking fast, flexible and short-term finance.</p>
Exclusion criteria for loans	<p>We will not give you one of our loans if we determine that you are not in our target market or do not meet our eligibility criteria set out above.</p>
Loan Features	<p>Our loans:</p> <ul style="list-style-type: none"> • have an application/ establishment fee; • charge a monthly fee each month during the term of the loan; • allow you to repay the loan at any time without penalty; • have a loan term of a maximum of 62 days; • are repayable on the earlier of: <ul style="list-style-type: none"> ○ the date of settlement of the sale of your property; ○ the date any deposit paid is released to you; ○ 61 days after the initial drawdown of the loan, or ○ if you withdraw from the sale of the property, the date you withdraw, • whichever first occurs.
When we will take security for repayment of the loan	<p>We may ask for security for repayment of the loan at any time. The loan contract gives us this right.</p> <p>When we take security for repayment of a loan, we do this by registering a mortgage against your property and/or a caveat.</p>
Consistency between target market and the product	<p>The personal loan products have been designed to suit a wide target market of consumers who require access to a credit facility to assist with maximising the sale price of their property by allowing them to cover the costs associated with preparing and selling their property (excluding large scale structural renovations).</p> <p>The loan term is consistent with the purpose of the loan and means that the customer is not paying for the loan beyond it’s expected benefit date.</p>
How we distribute the loan product and who are the Distributors	<p>VPACollect is distributed to property vendors via estate agents who have been appointed as our distributors and also direct to property vendors who submit an application through our digital portal.</p> <p>Where the product is distributed via real estate agents, then the product is only offered to property vendors who have appointed real estate agents that are clients of Realty Assist.</p> <p>The method of distribution of the product makes it likely that a customer using the VPACollect product is in the target market and meets our eligibility criteria.</p>

Distribution Conditions	<p>We have distribution conditions in place which are designed to help ensure that our loan product is only sold to consumers in the target market and are likely be consistent with the likely objectives, financial situation and needs of the consumers.</p> <p>We ensure that:</p> <ul style="list-style-type: none"> • our website content gives consistent messaging directed to our target market; • our initial review of application process excludes consumers who, based on objective and measurable criteria, do not meet our eligibility criteria; • our assessment process determines whether a consumer meets our eligibility criteria, and • our review process reviews applications where it is initially unclear or uncertain whether the application meets our eligibility criteria or whether we are prepared to lend to the consumer. 												
Adequacy of distribution conditions and restrictions	<p>We will ensure that:</p> <ul style="list-style-type: none"> • Implementation of suitability and eligibility questions through our proprietary semi-automated application process allows us to identify those applicants who do not meet the criteria for the products prior to any loan offer being made to a consumer. • We make and review our agreements with distribution partners (real estate agents) taking into consideration their access to the target market for our loan product. <p>We will take reasonable steps to ensure that our distribution conditions will, or will be reasonably likely to, result in distribution of our loan product in a manner consistent with this target market determination.</p>												
Timing and process by which we review our Target Market Determination	<p>We will review this target market determination as follows:</p> <table border="1" data-bbox="456 1133 1375 1574"> <thead> <tr> <th data-bbox="456 1133 831 1193">Review Type</th> <th data-bbox="831 1133 1375 1193">Date of Review</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 1193 831 1272">Initial review</td> <td data-bbox="831 1193 1375 1272">Within two years of the date of first issue of this target market determination.</td> </tr> <tr> <td data-bbox="456 1272 831 1350">First periodic review</td> <td data-bbox="831 1272 1375 1350">No later than two years after completion of the initial review.</td> </tr> <tr> <td data-bbox="456 1350 831 1429">Subsequent periodic reviews</td> <td data-bbox="831 1350 1375 1429">No later than two years after completion of the most recent periodic review.</td> </tr> <tr> <td data-bbox="456 1429 831 1489">Annual Review Event</td> <td data-bbox="831 1429 1375 1489">Annually in July each year</td> </tr> <tr> <td data-bbox="456 1489 831 1574">Trigger event</td> <td data-bbox="831 1489 1375 1574">Within ten (10) business days of the occurrence of a trigger event</td> </tr> </tbody> </table>	Review Type	Date of Review	Initial review	Within two years of the date of first issue of this target market determination.	First periodic review	No later than two years after completion of the initial review.	Subsequent periodic reviews	No later than two years after completion of the most recent periodic review.	Annual Review Event	Annually in July each year	Trigger event	Within ten (10) business days of the occurrence of a trigger event
Review Type	Date of Review												
Initial review	Within two years of the date of first issue of this target market determination.												
First periodic review	No later than two years after completion of the initial review.												
Subsequent periodic reviews	No later than two years after completion of the most recent periodic review.												
Annual Review Event	Annually in July each year												
Trigger event	Within ten (10) business days of the occurrence of a trigger event												
Reporting by Distributors	<p>We require our distributors to report to us within thirty (30) days of the end of each quarter (March, June, September and December) each year and provide us with information about the number of complaints received about the product during the immediately preceding quarter.</p> <p>We require our distributors to report to us within thirty (30) days prior to the Initial Review, each Periodic Review and each Annual Review as detailed above on matters specified by us.</p> <p>We require our distributors to report to us within seven (7) days if they receive any complaints about the product.</p>												

<p>Description of events which constitute a “Trigger Event”</p>	<p>A trigger event is any event or circumstance that should objectively give rise to a reasonable belief on our part that this Target Market Determination is no longer appropriate having regard to a variety of factors, including (but not limited) to any of the following:</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product including related documentation; • the occurrence of a “significant dealing” in relation to our loan product. • the distribution conditions are found to be inadequate or deficient; • the occurrence of external events such as adverse media coverage or regulatory feedback; • significant changes in metrics, including, but not limited to, complaints, hardship applications, arrears, application volumes and approvals per approved distribution partners; • negative feedback about the loan product received from a Court, ASIC or other regulatory body; • guidance received about the loan product received from a Court, ASIC or other regulatory body; • a change in legislation which impacts on the design or distribution or the structure of the loan product; or • the value of outstanding loans written off in a financial year being significantly higher than the projection for loans written off loans made at the end of the prior financial year.
<p>Annual Review Event</p>	<p>The following matters constitute an annual review event but do not of themselves necessarily indicate a trigger event has occurred, namely that an event or circumstance has occurred that reasonably suggests that the TMD is no longer appropriate. The occurrence of the following events may merely indicate a change in economic circumstances. However, an annual review of the following matters is to be conducted to determine as accurately as possible the underlying cause of the event. The annual review events are:</p> <ul style="list-style-type: none"> • a material increase in the number and percentage of customers seeking hardship relief as compared to the immediately preceding financial year; • a material increase in the number of responsible lending complaints received during a financial year when compared to the number of complaints received in the immediately preceding financial year.
<p>Availability of this Target Market Determination</p>	<p>We will ensure that this target market determination is made available on our website and available to prospective consumers prior to distribution of this loan product.</p>