

Fixed Rate Loan

Issuer	ING Bank (Australia) Limited ABN 24 000 893 292, AFSL and Australian Credit Licence 229823.
Date of TMD	5 October 2024
Target market	<p>Description of target market</p> <p>The Fixed Rate Loan is a home loan for customers who are seeking a home loan that is to be paid off over time with regular payments, for the purpose of purchasing, refinancing or renovating a residential property, consolidating personal debts, or for personal investments or other personal purposes. It has been specifically designed for:</p> <ul style="list-style-type: none"> ▪ Customers who can provide residential property as security for the loan. ▪ Customers that wish to purchase, refinance, or renovate residential property as either owner occupiers or investors. ▪ Customers who would like to make principal and interest and may also have the option to make interest only repayments for a period of the loan term. ▪ Customers who do not want to pay any ongoing fees to ING under the Fixed Rate loan. ▪ Customers who want certainty of their monthly or fortnightly repayments and interest rate over a set period of 1-5 years. ▪ Customers who want the option to lock in the fixed interest rate applying at the time of the application for 90 days by paying a rate lock fee at the time of application. ▪ Customers who want to be able to make additional repayments up to \$9,999 per settlement anniversary. ▪ Customers who meet the eligibility requirements. <p>Description of product, including key attributes</p> <p>The Fixed Rate loan has the following key attributes that will impact whether it is likely to be appropriate for the target market:</p> <ul style="list-style-type: none"> ▪ Customer profile/eligibility requirements: The Fixed Rate Loan is only available to individuals that: <ul style="list-style-type: none"> - are 18 years of age or older; - are an Australian citizen, New Zealand citizen or Australian permanent resident; - work and reside in Australia; - meet ING's credit lending guidelines; and - meet the identification requirements. ▪ Loan Term: Term of loan up to 30 years. ▪ Length of fixed interest rate period: Minimum 1 year, maximum 5 years (with the ability to refix the interest rate on expiry at a new rate). ▪ Loan amounts: The Fixed Rate Loan provides for loan amounts from \$20,000 to \$5 million. ▪ Repayment profile: Customers make regular scheduled monthly or fortnightly repayments to pay down the loan balance over the term. Subject to credit assessment, the customer may request to make interest only payments for a maximum of 5 years for owner occupier loans and a maximum of 10 years for investor loans. ▪ Interest rate: The Fixed Rate Loan provides for a fixed interest rate for a set period of time. ING currently offer 1 to 5 year fixed rate loans. ▪ Fees: There are no ongoing fees payable to ING, although establishment fees, variation and late payment fees may apply. Break costs may apply should the customer make additional repayments of \$10,000 or more in any one year period (anniversary year).



Target market (continued)

- **Security:** The Fixed Rate loan must be secured by a property. In some circumstances a guarantee (subject to ING's credit lending guidelines) supported by property will also be considered.
- **Variation options:** The Fixed Rate Loan includes optional variations such as loan portability, substitution of security, principle reduction, an increase to the loan amount (subject to ING's credit lending guidelines and potential break costs) and repayment switch.
- **Maturity options:** At the end of the fixed rate term customers are notified and provided with what options are available (such as refixing for another period). If no change is requested, the loan will convert to ING's Mortgage Simplifier, which is a variable rate home loan.
 - If a customer requests to refix prior to the end of the fixed rate term, variation fees and break costs may apply.
 - Customers have the option of the Fixed Rate Lock In feature when refixing their Fixed Rate Loan, however ING will not hold the rate for more than 90 days and payment of the Fixed Rate Lock In fee is required.

Note: In the instance of a loan split between more than one ING home loan product, this TMD only applies in relation to the Fixed Rate Loan.

Description of likely objectives, financial situation and needs of customers in the target market

- **Likely objectives:** Customers who are seeking a home loan with a fixed interest rate for a period of 1 to 5 years, and want certainty regarding their monthly or fortnightly repayments during this period.
- **Likely financial situation:** Customers who meet ING's credit lending guidelines.
- **Likely needs:** Customers who need funds to refinance an existing home loan, or to purchase residential property for owner occupier or investor purposes.

Classes of consumers for whom the product is clearly unsuitable

The Fixed Rate Loan would not suit customers who do not meet ING's credit lending guidelines. For example, this could be someone who does not have a steady income, customers who are under the age of 18, customers who are not an Australian resident, or customers who have expenses that indicate they cannot afford the loan. The Fixed Rate Loan is not suitable for customers who require an offset facility, the ability to redraw funds, a variable interest rate, or the ability to make additional repayments of \$10,000 or more in a year without break costs applying.

Alignment to target market

ING considers that the Fixed Rate Loan is likely to be consistent with the likely objectives and needs of the class of customers in the target market. ING's application and assessment processes support that the Fixed Rate Loan product is likely to reach customers in the target market.

Distribution channels

Distribution channels

The Fixed Rate Loan product is distributed through the following channels:

- ING website, including campaign sites;
- Directly via the ING Contact Centre;
- ING accredited brokers who:
 - hold an Australian Credit Licence ("ACL"); or
 - are a credit representative or employee of an ACL Holder; and
- Accredited comparison websites and other third parties appointed by ING to direct customers to the ING website and other ING webpages.



Distribution conditions

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Any advertising relating to the Fixed Rate Loan is directed to an appropriate target market and considered as part of the product governance process. Advertising of the Fixed Rate Loan can occur through a variety of channels, including by way of direct marketing to customers who have opted into marketing communications.

Customers can communicate with ING staff directly regarding the Fixed Rate Loan through the ING Contact Centre. ING Contact Centre staff are trained to give information about the product, but not advice around the suitability to a customer's individual situation and are required to follow scripting when communicating with a customer about the product.

Where the Fixed Rate Loan is distributed through an online channel (such as the ING website), the customer will be able to access information about the product attributes (such as fees and rates) and eligibility criteria.

Alternatively, a customer can discuss the Fixed Rate Loan directly with an ING accredited broker. ING takes steps to ensure that its accredited brokers hold the required qualifications and authorisations, carry out accreditation information sessions and receive guidance material in relation to ING's processes and procedures.

The Fixed Rate Loan can only be offered to customers after ING collects the required customer information and applies its credit lending guidelines.

Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market

The distribution channels and conditions make it likely that the customers who acquire the product are in the target market by:

- ensuring that customers will have been provided with sufficient information about the product;
- ensuring ING Contact Centre staff are trained to understand the key product attributes and the target market for the products they discuss with customers;
- requiring customers to provide specific information, disclosure and evidence to confirm they meet eligibility requirements for the product and ING's credit lending criteria; and
- ensuring that only customers who meet the eligibility criteria for the product and ING's credit lending criteria are offered the product.

Review triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- There is a significant dealing in the Fixed Rate Loan which is not consistent with this determination.
- A significant increase beyond expected levels in complaints or a significant change in the nature of complaints relating to the product.
- There is a material change in the eligibility requirements for the product, our lending criteria or key features or terms and conditions of the product.
- There is a material change in the way we distribute the product.
- A material change in law, a court decision, or ASIC regulatory guidance that impacts the Fixed Rate Loan.
- Any other event occurs or information is received that reasonably suggests the determination is no longer appropriate (for example, a proportionately high number of customers beyond expected levels pay out or refinance their loan within 2 years).

Review periods

Next periodic review date: 5 October 2025

Periodic reviews: The TMD will be reviewed annually in line with the end to end risk assessment for mortgage products.

Review history

Annual Review: 5 October 2023, 5 October 2024



Distribution information reporting requirements

Where ING acts as both the issuer and distributor of the Fixed Rate Loan, it will internally collate the information required to determine whether a review trigger has occurred. This is such as, the number of complaints and the substance of complaints, and whether a significant dealing has occurred.

Where an external distributor is involved (e.g. an accredited broker), the distributor must collect, keep records of and report the information set out in the table below:

Type of information	Description	Reporting period
Customer complaints in relation to the product	<ul style="list-style-type: none"> - Number of complaints. - Substance of each complaint 	Quarterly within 10 business days of the quarter ending. <ul style="list-style-type: none"> - 31st March - 30th June - 30th September - 31st December
Significant dealing(s)	<ul style="list-style-type: none"> - Date or date range of the significant dealing(s). - Description of the significant dealing (e.g. pattern of dealings in the product or distributor’s conduct not consistent with TMD). - Why the significant dealing is not consistent with the TMD. - What was the root cause of the significant dealing. - Why the dealing is significant (e.g. actual or potential harm to customer/class of customer). - How the significant dealing was identified. - Steps taken/will be taken (if any) in relation to the significant dealing. 	As soon as practicable, and in any case within 10 business days after the distributor becomes aware that the significant dealing has occurred.
Information request	Information reasonably requested by ING	As soon as practicable, and in any case within 10 business days of the request from ING
Distributor feedback	Information discovered or held by the distributor that suggests that the TMD may no longer be appropriate	As soon as practicable, and in any case within 10 business days after the distributor becomes aware that the TMD may no longer be appropriate.

