



Target Market Determination

for Hejaz Flexible Construction Finance

1. Product

Hejaz Flexible Construction Finance

2. Issuer

Hejaz Islamic Credit Solutions Pty Ltd ACN 603 474 899 T/A Hejaz Islamic Home Finance,
Australian Credit Licence 480542.

("Hejaz/we/us")

3. Date effective

5 October 2021

4. About the TMD

This Target Market Determination (TMD) document is not intended to provide financial advice. Please refer to our Terms and Conditions and Credit Guide before deciding product suitability. Our product terms and conditions will be provided to you upon request.

This TMD aims to provide an understanding of the class of customers we have designed this product for, being the target market. When considering the target market, we focused on our customers' objectives, financial situation, and needs within this class of people we believe this product to be suitable.

5. Target Market

5.1 Description of target market

The features of this product have been assessed as meeting the likely objectives, financial situation and needs of consumers who:

- Are:
 - at least 18 years old;
 - individual borrowers (as single or joint borrowers); and
 - an Australian citizen or a permanent Australian resident;
- Require a loan to purchase or refinance an owner-occupied property and who may also wish to release some of the equity in their property for other purposes such as to consolidate debt or to be used for personal or investment purposes;
- Require an offset account;
- Require the certainty of a fixed Ijara rate;
- Are able to make up to \$20k of extra repayments without penalty; and
- Want the option of either principal and Ijara or Ijara only repayments.
- Satisfy our eligibility criteria;

PAYG – Last 2 payslips, 3 month banks statement.

Minimum employment criteria:

- **Full Time** – Minimum 6 months. If <6months, can be considered.
- **Part time** – same as above.
- **Casual** – Minimum 6 months with current employment. If <6 months, can be considered.
- **Second job** – Minimum 12 months in current employment.
- **Contract** – Must have worked in the same industry/role for minimum of 24 months.
- **Self-employed:**
 - Last 2 years financials/tax assessment notices
 - One Year Financial statements may be considered subject to the following and up to an 80% maximum LVR:
 - Most recent accountant prepared tax return and recent NOA (individuals)
 - Most recent accountant prepared financial statements (most current financial year required)
 - PLUS, the latest available BAS or 3 months trading statements to evidence current income is consistent with tax return where the tax return provided is over 6 months old and the LVR is greater than 65%.
 - ABN must be greater than 18months
- **Non-verified income**

Borrower repayment declaration; Plus one of the following:

 - Accountant's letter

- 12 months BAS statements
- 12 months Trading Statements.

The product meets the likely objectives, financial situation and needs of consumers in the target market because it provides them with the certainty of a fixed rate for an initial period of time, allows them to deposit funds into an offset account and/or make additional payments directly into the loan to reduce the amount of Ijara payable up to \$20k additional per annum whilst maintaining the ability to draw on surplus funds when required. This product also allows consumers to select Ijara only or principal and Ijara repayments in order to reduce their overall debt and build equity.

5.2 Classes of consumers for who the product may not be suitable

This product may not be suitable for consumers who:

- do not meet the eligibility requirements;
- are looking to construct a property; or
- require the ability to provide alternative methods of income verification.

5.3 Description of the Product, including key attributes

- Fixed Ijara rate;
- Repayment options:
 - principle and Ijara; or
 - Ijara only
- Redraw available
- Able to make up to \$20k of extra repayments without penalty
- Minimum loan size: \$50,000
- Maximum Loan Size: \$2,000,000 (subject to LVR and postcode policy)
- Maximum LVR:
 - 80% for Inner-City postcodes
 - 90% for Regional postcodes
 - 95% for Metro and Non-Metro postcodes
- Offset facility available for a fee
- Application fee is payable
- Establishment fee is payable
- Settlement fee is payable
- Valuation fee is payable
- Ongoing fee is payable

6. Distribution Conditions/ Restrictions

The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:

- Direct
 - Online
 - By phone
 - In person (e.g. branch, agency, or premises visit)
- Third party – Accredited mortgage brokers subject to Best Ijaras Duty (BID)

The distribution channels and conditions are appropriate because:

- The product has a wide target market;
- Our staff have the necessary training, knowledge and accreditation (if required) to assess whether the consumer is within the target market. All of our staff must continually satisfy annual compliance reviews.
- We rely on existing distributors, methods, controls and supervision already in place;
- Our approval system has checks and controls in place to flag applicants who may be outside the target market; and
- Accredited mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best Ijaras of the particular consumer.

7. TMD Reviews

We will review this TMD as follows:

Initial review	Within 12 months of the date of this TMD
Periodic review	Each year on the anniversary of this TMD.
Review triggers	Specific events will prompt Hejaz to review this TMD, which includes: <ul style="list-style-type: none">- A significant dealing of the product to consumers outside the target market occurs;- A significant number of complaints are received from customers in relation to the product;- A significant number of defaults occur;- A significant breach has occurred in connection with the issuing and distribution of this product; and- A significant number of late repayments are being recorded;- A material change is made to this product.- Unexpected early stage arrears are detected

If a review trigger occurs, we will complete a review of the TMD within ten business days. Meanwhile, we will cease to offer this product to our customers until our TMD review concludes and any necessary changes to the product or TMD, including distribution methods, are made.

8. Monitoring and reporting of this TMD

The following data must be provided to us by any person who engages in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Specific Complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
Complaints	Number of complaints	Every 6 months
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Feedback	Details of any suggested feedback and improvements	As soon as practicable, and in any case within 10 business days after becoming aware