Target Market Determination - First Freedom Home Loan

This Target Market Determination (TMD) has been created for First Federal and is not intended to provide financial advice. Please refer to our Terms and Conditions and Credit Guide (available on request) before deciding if this product is right for you.
This TMD aims to provide an understanding of the class of consumers this product has been designed for (the target market). When considering the target market, we focused on which consumer needs this product is suitable for based on their objectives, requirements and financial situation.

Product	First Freedom Home Loan – a flexible loan designed for borrowers with complex or non-standard circumstances, including credit impairment, who demonstrate an overall capacity to service the loan.
Issuer	First Federal Pty Ltd ACN: 136 380 526 First Custodian Mortgages Pty Ltd ACN: 695 395 683
Distributor	First Federal Home Loans Pty Ltd ACN: 160 925 146 ACL: 504317
Date Effective	1 October 2026
Objectives, financial situation and needs of the target market (Class of consumer)	This product is designed for individual consumers who require residential property finance but have complex or non-standard circumstances, including credit impairment; have demonstrated an overall capacity to service the loan without substantial hardship; are able to manage repayments that may increase because the interest rate is variable; have an acceptable credit history for the applicable product option; and require a loan amount, term, LVR and repayment structure available under the product. Consumers will likely need this product for: • purchasing an owner-occupied home or investment property; • refinancing an owner-occupied home or investment property; • debt consolidation; or • accessing equity for home renovations, personal or investment purposes.
Credit assessment criteria for target market	Consumers in the target market must: • be an eligible individual; • satisfy applicable residency and borrower eligibility requirements; • meet First Federal's credit assessment and responsible lending requirements;

	• have acceptable residential security; and • provide a first registered mortgage over the security property. This product is designed to accommodate consumers with complex or non-standard circumstances, including credit impairment.
Key Features of the product	• Loan amounts from $100,000 to $3,000,000. • Maximum LVR 80% (inclusive of capitalised fees where applicable). • Loan term of up to 30 years. • Variable interest rate. • Principal and interest repayments or interest-only for up to five (5) years. • Ability to make additional repayments without penalty. • Repayment frequency can be weekly/fortnightly/monthly. • Ability to apply despite small defaults or one or two missed payments on unsecured debts. • Alternative income documentation may be accepted for self-employed applicants without lodged Tax Returns. • Application, risk, valuation and legal fees may apply.
Why this product is likely to match the objectives, financial situation and needs of the Target Market	• The product provides a flexible residential lending solution for customers with complex or non-standard circumstances, including credit impairment. • The variable interest rate, repayment options and ability to make additional repayments provide flexibility to consumers within the target market. • Alternative income documentation may be accepted where appropriate. The interest-only repayment option is likely to be appropriate for consumers within the target market who will benefit from the ability to pay interest only on the outstanding loan balance for the duration of the interest-only period, and who understand that they may pay more interest over the life of the loan as principal is not reduced during this period. Interest-only repayments are available for a maximum period of five (5) years, after which repayments will revert to principal and interest.
Classes of Consumer this product may not be suitable for	This product may not be suitable for consumers who: • have credit impairment of a nature or severity that falls outside this product's parameters; • are seeking fixed interest rates; • are seeking an offset account; • are seeking finance to purchase or refinance commercial property. • are seeking construction funding or progressive draw loans *(vacant land purchase without construction funding may be acceptable)*; • do not have a demonstrated capacity to service the required repayments without substantial hardship.

Distribution Conditions/Restrictions for the product	This product may only be distributed through: • accredited mortgage brokers; • approved aggregator partners; or • other approved distribution partners, who are appropriately trained, competent and authorised to engage in credit activities. These distribution arrangements are appropriate because they ensure distributors: • understand the product's key features and target market; • hold the required authorisations; • are able to assess whether consumers are likely to fall within the target market; and • take reasonable steps to ensure distribution is consistent with this TMD. Distributors must: • only submit applications where the consumer is reasonably assessed as being within the target market; and • ensure the consumer meets First Federal's credit assessment and responsible lending requirements. First Federal's credit assessment process includes controls designed to identify applicants who fall outside the target market. Distribution outcomes, complaints and significant dealings inconsistent with this TMD are monitored as part of First Federal's ongoing review process.
Review triggers	This TMD will be reviewed: • in line with any ASIC, AFCA or regulatory (including RG) requirements; • where there is a material increase in complaints indicating potential customer harm; • where there are material changes to the product or regulatory requirements; • where the product is no longer considered appropriate for the target market; or • where there are significant dealings inconsistent with this TMD.
Review cadence	If a review trigger occurs, or First Federal becomes aware of an event or circumstance suggesting this TMD may no longer be appropriate, First Federal will conduct a review as soon as practicable and within 10 business days (or as otherwise required). First Federal will complete a review at least annually, or more frequently where required to ensure ongoing appropriateness of the TMD.

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<tr><td></td><td>Next review: October 2027

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<tr><td>Document created</td><td>January 2021</td></tr>
<tr><td>First Review</td><td>January 2023</td></tr>
<tr><td>Second review</td><td>January 2024</td></tr>
<tr><td>Product re-designed</td><td>July 2024</td></tr>
<tr><td>Document reviewed</td><td>January 2025</td></tr>
<tr><td>Document reviewed, minor credit policy changes updated</td><td>January 2026</td></tr>
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<tr><td>Distribution Information Reporting Requirements</td><td>The following information must be provided to First Federal in writing by distributors:

• complaints relating to key terms, features or risks of the product as soon as practicable and no later than 10 business days after becoming aware;
• reporting to include:
  ○ number and nature of complaints;
  ○ circumstances and substance of complaints; and
  ○ general feedback on product performance (reported quarterly);
• any significant dealing inconsistent with this TMD, including:
  ○ date;
  ○ description;
  ○ why it is significant;
  ○ how it was identified; and
  ○ actions taken to remediate.</td></tr>
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