

Target Market Determination

City Finance Small Amount Credit Contract

Product:	Small Amount Credit Contract (SACC)
Date TMD Approved:	28th September 2021
TMD Version:	Version 6, Updated 3 December 2025
TMD Status:	Current
Issuer:	City Finance Lending Pty Ltd ACN 602 842 839
Issuer Australian Credit Licence:	469854

This is the target market determination (**TMD**) for the purposes of section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the City Finance Small Account Credit Contract (**SACC**).

The issuer of the SACC is City Finance Lending Pty Ltd (**City Finance**). This TMD sets out certain information relevant to City Finance's compliance with the design and distribution (**DDO**) framework in the Corporations Act, including the:

- class of consumers that comprise the target market for the SACC;
- conditions that will be imposed on the distribution of the SACC;
- requirements for City Finance to review the TMD; and
- requirements for distributors to report certain information to City Finance.

This TMD does not provide a complete list of the features and terms and conditions of the SACC. This TMD should be read in conjunction with the Terms and Conditions, Financial Table and Information Statement, Credit Guide and other information available on City Finance's website in relation to SACC. A copy of these documents are provided to a consumer when they apply for a SACC. If an application for a SACC is approved, the Credit Contract (including the Terms and Conditions, Financial Table and Information Statement) issued following any approval will govern the specific terms and conditions that apply to that particular SACC.

This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation. Any person seeking to obtain a SACC should consider how it may affect their personal circumstances.



Capitalised terms have the meaning given to them in the Credit Contact, unless otherwise defined in this TMD.

Target Market Summary

This Product is likely to be appropriate for a consumer seeking fast, unsecured, non-revolving, short term finance (of between 12 and 52 weeks), for a small amount (of between \$500 and \$2,000), to be used for personal purposes and who meets our Eligibility Criteria.

Further detail in relation to the target market is set out below.

Description of Target Market

Product Description including Key Attributes

The Product is a small, short term credit facility that has the following key attributes:

- it provides credit of an amount of between \$500 and \$2,000;
- it provides credit for a variety of fixed terms between 12 and 52 weeks;
- it provides credit for personal purposes;
- the loan is unsecured;
- the loan amount (minus the upfront establishment fee) is paid to a consumer in a single lump sum;
- the loan is non-revolving and is not a continuing line of credit and once a consumer has repaid the loan, or any part of it, it cannot be redrawn;
- repayments must be made in accordance with regular periodic payments (which can be set at the start of the loan at either weekly, fortnightly or monthly);
- the ability to make additional and early payments on the loan with no early repayment fees or early termination fees;
- fees and costs are payable in respect of the Product and include an upfront establishment fee of 20% of the loan amount, a monthly maintenance fee of 4% of the loan amount and a dishonour fee of \$35 for a missed payment; and
- it is only available to consumers that meet our Eligibility Criteria.



Target Market Description

Consumers in the Target Market		Consumers not in the Target Market
Eligibility Criteria		
Eligibility Criteria	<p>Consumers in the target market have the following eligibility characteristics:</p> <ul style="list-style-type: none"> aged between 21 years of age and 85 years of age (although we may issue the Product to consumers aged 18 years of age and over where they have demonstrated positive payment behaviour); are an Australian citizen or permanent resident; have a fixed Australian address; have an Australian bank account that can process direct debits; are in control of own finances and are not under any arrangement by a third party (e.g. public trustee or guardian arrangements); have an Acceptable Income source; and have a minimum monthly income of \$1,580 from employment or benefits or another Acceptable Income source; and are able to apply online and give City Finance access to their bank statement data and credit history. 	<p>Consumers not in the target market do not meet the eligibility characteristics.</p>
Likely objectives, financial situation and needs		
Needs and objectives	<p>The likely needs and objectives of consumers in the target market include:</p> <ul style="list-style-type: none"> consumers who require credit for an Acceptable Purpose; consumers who are seeking a loan for a small amount (being between \$500 and \$2,000); 	<p>The likely needs and objectives of consumers not in the target market include:</p> <ul style="list-style-type: none"> consumers who require credit for an Unacceptable Purpose; consumers who are seeking a loan for an amount less than \$500 or more than \$2,000;



Consumers in the Target Market	Consumers not in the Target Market
<ul style="list-style-type: none"> • consumers who are seeking a short term loan for a fixed period (for a period between 12 and 52 weeks); • consumers who are seeking an unsecured loan; • consumers who are seeking a non-revolving loan, that is not able to be redrawn; and/or • consumers who are seeking a loan with the certainty of fixed regular periodic repayments, with the ability to make early repayments with no early repayment fees or termination fees. 	<ul style="list-style-type: none"> • consumers who are seeking a loan that can be repaid over a period longer than 52 weeks; • consumers who are seeking a loan that is secured; and/or • consumers who are seeking a loan that is a form of revolving credit or a continuing line of credit.
<p>Financial situation</p> <p>The likely financial situation of consumers in the target market include:</p> <ul style="list-style-type: none"> • consumers who have a minimum monthly income of \$1,580 from employment or benefits or another Acceptable Income source; • consumers who have the financial capacity to pay the principal repayments and fees for the Product when such amounts become payable and due under the Credit Contract; and • consumers whose repayments under the Product and any other SACC product would represent 10% or less of their net income. 	<p>The likely financial situation of consumers not in the target market include:</p> <ul style="list-style-type: none"> • consumers who have a minimum monthly income of less than \$1,580 or whose income is not from employment or benefits or another Acceptable Income source; • consumers who do not have the financial capacity to pay the principal repayments and fees for the Product when such amounts become payable and due under the Credit Contract. For example: <ul style="list-style-type: none"> ○ consumers who gamble excessively (for example, where 30% or more of net (after tax) income is spent on gambling); ○ consumers who have an Unacceptable History of Dishonours and/or Defaults on existing credit commitments; ○ consumers who have requested relief for existing financial commitments on the grounds of Hardship; and/or



Consumers in the Target Market	Consumers not in the Target Market
	<ul style="list-style-type: none"> ○ consumers who have an Unacceptable Number of Similar Loans; and/or ○ consumers whose repayments under the Product and any other SACC product would represent more than 10% of their net income.

Assessment of Appropriateness

City Finance has assessed the Product and formed the view that the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market, as the key attributes of the Product (including the Eligibility Criteria) set out above under the 'Description of product including key attributes' section, are likely to be suitable for consumers with the attributes identified in the column 'Consumers in the target market' in the 'Target market description' section.

How this Product is to be Distributed - Distribution Conditions

The conditions and restrictions which apply to distribution of the Product are set out below.

The Product is authorised to be distributed by City Finance online through the online application form on the City Finance website at cityfinance.com.au.

The Product can only be distributed by City Finance to people who meet the Eligibility Criteria and are within the target market, and in compliance with relevant laws (including but not limited to responsible lending assessment which forms part of the credit approval process).

The Product can only be distributed by City Finance in accordance with City Finance's origination and approval system which includes the following controls and processes:

- the product can only be distributed to people who have completed an online loan application form on the City Finance website at cityfinance.com.au;
- all applications are subject to auto-decisioning elements that ensure that applicants who do not satisfy the Eligibility Criteria are declined;
- after auto-decisioning, all applications are also subject to review and approval by City Finance staff in accordance with well-developed processes and procedures that include a responsible lending assessment;
- City Finance will, through the application process, obtain from following information from the applicant:
 - their full name;
 - their residential address;



- their date of birth;
- a valid identification document number;
- the purpose for which the loan is sought;
- information about their Essential Living Expenses; and
- Centrelink statement (if applicable).

With the consent of the applicant City Finance will also obtain the following information via third parties:

- 90 days of bank transaction data;
- verification of the identification document number provided; and
- a credit report of the applicant.

In addition, the assigned City Finance lending officer may make further enquiries with the applicant to enable City Finance to further understand the customer's financial situation, needs and objectives, their bank transaction history, and their suitability for the Product.

- City Finance will obtain the above information from applicants through:
 - the online application form;
 - third party data services where the applicant provides their consent; and
 - telephone, SMS or email communications.
- City Finance will use the information obtained from the applicant during the application process to determine whether the applicant meets the Eligibility Criteria, is within the target market, whether City Finance will offer to provide the Product to the consumer and, if so, for what amount and loan term. Once a loan application is lodged, the City Finance loan origination and approval system will receive the information listed above and will perform checks to determine the suitability of the product for the applicant. These checks may include:
 - has the applicant's identity been verified?
 - does the applicant fulfil the age and residency criteria?
 - does the applicant's credit bureau record contain information that meets City Finance's lending criteria?
 - does the information contained in the applicant's 90 day bank transactions meet the requirements of City Finance's lending policy? Such information may include affordability assessments, analysis of payment dishonours, extent of usage of credit, as well as behavioural analysis.
 - is the loan purpose provided by the applicant an Acceptable Purpose?
 - does the information provided indicate whether the applicant is within the target market described in this TMD?

If the application passes these initial checks, the application will be further reviewed by members of the City Finance lending team. In some cases, additional enquiries may be made with the applicant to determine the suitability of the Product for the applicant. Following this process, if the Product is determined to be suitable for the applicant, and the application meets City Finance's lending criteria, the application will be approved, and a Credit Contract will be sent to the applicant.



The Product can only be distributed by City Finance in accordance its underwriting criteria.

The Product can only be distributed by staff of City Finance who have received appropriate training.

Assessment of Appropriateness

City Finance considers that the distribution conditions make it likely that consumers who acquire the Product will be in the target market because:

- the Product can only be distributed directly by City Finance through the above distribution channel;
- the Product can only be distributed by City Finance to people who meet the Eligibility Criteria and are within the target market, and in compliance with relevant laws (including but not limited to responsible lending assessment which forms part of the credit approval process); and
- City Finance's origination and approval system includes the above controls and processes to ensure that applicants who do not meet the Eligibility Criteria and who do not fall within the target market will not be approved for the Product.

Reviewing this Target Market Determination

Periodic Reviews

Initial Review	Within 1 year of the TMD approved date
Subsequent Review	At least every 1 year from the initial review date



Review Triggers

Complaints	The percentage of complaints received in a calendar quarter is equal to or greater than 2% of the active loans at the end of that quarter
Bad Debts	The percentage of bad debts in a calendar quarter is equal to or greater than 18% of the active loans at the end of that quarter
Cancellations	The percentage of cancellations in a calendar quarter is greater than or equal to 5%
Consumer outside of target market	The issuer identifies a consumer outside of the target market that has acquired the Product
Consumer inside of target market but Product unsuitable	The issuer identifies a consumer inside of the target market, who acquired the Product, but for whom the Product is not suitable
Material change to Product	There is a material change to the Product structure (including its key attributes) or its distribution
Regulatory Orders	ASIC uses their product intervention power in Part 7.9A of the Corporations Act to intervene in relation to the Product
Significant Dealings	The issuer identifies a significant dealing has occurred that is required to be reported to ASIC
Hardship Applications	The percentage of hardship applications in a calendar quarter is equal to or greater than 2% of the active loans at the end of that quarter
No payment	The percentage of originated loans within a calendar quarter that go 30 days or more without making a payment is equal to or greater than 15% of the originated loans at the end of that quarter
Material change in legislation	There is a material change in the regulation of small amount credit contracts under the NCCP Act and associated regulations



Information Reporting Requirements

This table sets out the information we need to identify whether a review trigger, or another event or circumstance that would reasonably suggest that the TMD is no longer appropriate, has occurred, who is required to report this information and the reporting periods.

Information	Who is required to report	Reporting period
The number, nature of and resolution of complaints (as defined in section 994A of the Corporations Act)	Issuer and distributors	Quarterly within 10 business days from the end of the period
The percentage of bad debts	Issuer and distributors	Annually within 10 business days from the end of the period
The percentage of cancellations	Issuer and distributors	Quarterly within 10 business days from the end of the period
Details of a consumer identified as being outside of the target market	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware
Details of a consumer identified as being inside the target market, but for whom the Product is not suitable	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware
A material change to the Product structure (including its key attributes) or its distribution	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware
ASIC's use of its product intervention power in Part 7.9A of the Corporations Act to intervene in relation to the Product	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware
Details of a significant dealing that is required to be reported to ASIC	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware
The number of hardship applications received	Issuer and distributors	Quarterly within 10 business days from the end of the period



Information	Who is required to report	Reporting period
The number of originated loans that go 30 days or more without making a payment	Issuer and distributors	Quarterly within 10 business days from the end of the period
A material change to regulation of small amount credit contracts under the NCCP Act and associated regulations	Issuer and distributors	As soon as practicable but within 10 business days after becoming aware

Definitions

Capitalised terms have the meaning given to them in the Credit Contract, unless otherwise defined below or elsewhere in this TMD.

Acceptable Income	<p>means income which is regular, recurring and ongoing and includes (but is not limited to):</p> <ul style="list-style-type: none"> • salary and wages; • Government benefits which includes income from a pension, carer or jobseeker allowance; • rent and accommodation expense that is paid on behalf of the consumer via centrepay; • Veteran Affairs payments; • Child Support payments; • personal income as sole trader where the consumer is receiving a salary or wage into their bank account; • rental property income; and/or • reimbursement of shared accommodation expenses (if visible on bank statement as deposits and regular)
Acceptable Purpose	<p>means a personal purpose that is not an Unacceptable Purpose. Common examples include (but are not limited to) car repair costs, medical procedures, purchase of white goods, and funeral costs.</p>
AML/CTF Act	<p>means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).</p>



City Finance	means City Finance Lending Pty Ltd ACN 602 842 839, Australian Credit Licence 469854.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Credit Contract	means a SACC between City Finance and a consumer for the provision or proposed provision of credit to that consumer that includes the Financial Table and the Terms and Conditions.
Credit Guide	means City Finance's credit guide prepared in accordance with the requirements of the NCCP Act.
DDO	means the design and distribution obligations in Part 7.8A of the Corporations Act.
Eligibility Criteria	has the meaning given in the 'Eligibility Criteria' section of the Target Market Description of this TMD.
Essential Living Expenses	means day-to-day living expenses including (but not limited to): <ul style="list-style-type: none"> • groceries and general supermarket spend; • fuel for essential travel; • utilities e.g. electricity, gas, water; and/or • accommodation costs (except rental bond and moving costs).
Financial Table	means the section of the Credit Contract that contains the financial information required to be disclosed under section 17 of the National Credit Code, including any information prescribed by the <i>National Consumer Credit Protection Regulations 2010</i> (Cth) for the purposes of that section.
Hardship	means where a consumer is currently in financial difficulty and has sought temporary or permanent variation to payment obligations including (but not limited to) relief under section 72 of the National Credit Code or equivalent provisions in relation to utilities.
Illegal Purpose	includes: <ul style="list-style-type: none"> • it is illegal under the laws of Australia or a relevant foreign jurisdiction; • involves or facilitates fraud, identity misuse, money laundering, or other prohibited activities; and/or • would result in City Finance breaching a relevant legislative requirement (e.g., NCCP Act, AML/CTF Act, Corporations Act).
Information Statement	means the information statement provided in conjunction with the Credit Contract in accordance with the National Credit Code.



National Credit Code	means the <i>National Credit Code</i> in Schedule 1 of the NCCP Act.
NCCP Act	means the <i>National Consumer Credit Protection Act 2009</i> (Cth).
Paying Other Forms of Credit	includes: <ul style="list-style-type: none"> • to repay another loan; • to pay arrears or missed payments on an existing credit contract; and/or • to refinance external credit.
Product	means the City Finance Small Amount Credit Contract
SACC	means a small account credit contract.
Substantial Hardship	means circumstances that constitute substantial hardship within the meaning of that term under the NCCP Act. Without limitation, City Finance will deem any circumstances where the consumer is, or would be, unable to meet their obligations to pay for Essential Living Expenses after paying the loan obligations under the Product as being Substantial Hardship.
Terms and Conditions	means the terms conditions contained in a Credit Contract.
TMD	means this target market determination.
Unacceptable History of Dishonours and/or Defaults	<p>means a history of dishonours and/or defaults in relation to existing credit commitments that is considered unacceptable when assessing the capacity of a consumer to pay the principal repayments and fees for the Product when such amounts become payable and due under the Credit Contract. City Finance considers many factors when assessing the capacity of the consumer to repay and whether there is an unacceptable history of dishonours and/or defaults including, but not limited to:</p> <ul style="list-style-type: none"> • the number of dishonours in a consumer's bank account during the last 90 days. For example, if a consumer has 6 or more dishonours to lenders during this period, regardless of whether they were resolved or not, City Finance would consider this to be unacceptable and decline the application; <p>whether any dishonours in a consumer's bank account during the last 90 days have been subsequently resolved by the consumer. For example, if a consumer has dishonored their most recent payment to another lender, and has not resolved the payment at the time of their application for the Product, City Finance would consider this to be unacceptable and decline the application.</p>
Unacceptable Income	includes (but is not limited to):



	<ul style="list-style-type: none"> • deposits from friends and/or family; • proceeds from sale of items; • one-off deposits; • gambling credits; and/or • early superannuation release.
Unacceptable Number of Similar Loans	<p>means a number of loans similar to the Product that is considered unacceptable when assessing the capacity of a consumer to pay the principal repayments and fees for the Product when such amounts become payable and due under the Credit Contract. City Finance considers many factors when assessing the capacity of the consumer to repay and whether a consumer has an unacceptable number of similar loans including, but not limited to:</p> <ul style="list-style-type: none"> • the number of new lender deposits received by the consumer within the last 30 days. For example, if a consumer has received 3 or more lender deposits within the last 30 days, City Finance would consider this unacceptable and decline the application; • the number of new personal loans obtained by a consumer during the last 90 days. For example, if a consumer has obtained 8 or more new loans within the last 90 days, City Finance would consider this unacceptable and decline the application.
Unacceptable Purpose	<p>includes (but is not limited to):</p> <ul style="list-style-type: none"> • Essential Living Expenses; • Paying Other Forms of Credit; • any purpose indicating Substantial Hardship; • Illegal Purposes; and/or • a business purpose.

