# RAMS Transferring Home Loans

## Target Market Determination

Pepper Money Limited ABN 55 094 317 665 Australian Financial Services and Australian credit licence 286655 is the servicer of loans issued by Pepper Finance Corporation Limited ABN 51 094 317 647

## 1. About this document

This Target Market Determination (TMD) provides information about the target market for certain RAMS branded home loan products acquired by Pepper Finance Corporation Limited (Pepper) from Westpac Banking Corporation (Westpac) as part of the transfer of the RAMS home loan portfolio. It outlines the likely objectives, financial situation and needs of the target market as well as the key attributes of the products.

This TMD applies to existing RAMS customers only. It is not intended to support new origination of RAMS branded home loans to new customers. Where a customer enters into a new Pepper credit contract to continue accessing redraw or line of credit functionality, the information of that new contract is solely intended to preserve continuity of the customer's existing arrangements, with no increase to the customer's existing approved credit limit.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide credit or financial advice. Refer to the relevant product terms and conditions, loan agreement and any transition communications when making a decision about this product.

**Target market determination date**

27 May 2026

**Effective date**

1 August 2026

## 2. Product

This TMD applies to the following RAMS branded home loan products transferring to Pepper:

- RAMS Essential Home Loan
- RAMS Fixed Rate Classic Home Loan
- RAMS Line of Credit
- RAMS Full Feature Home Loan
- RAMS Fixed Rate Home Loan
- Any associated redraw or line of credit facility made available to an existing RAMS customer in connection with their transferred home loan.

## 3. Description of target market, including likely objectives, financial situation and needs

The features of these products, including their key attributes, have been assessed as meeting the likely objectives, financial situation and needs of existing RAMS customers who:

- Currently hold a transferring RAMS home loan.
- Are able to demonstrate their capacity to meet repayment obligations
- May require continued access to an existing redraw feature or line of credit facility.
- Are able to manage repayments which can change at any time (for variable rate loans).

**Some product features may alter the target market. See below for details.**

### Key product features and attributes

These products may include the following features, depending on the customer's existing RAMS product:

- Variable and fixed interest rate options.
- Part fixed rate, part variable rate split loans available.
- Principal and interest and interest only (IO) repayment options.
- IO repayments revert to principal and interest after the IO period ends. Repayments may increase at that time.
- Ability to make additional repayments and access available funds via redraw on a variable rate loan.
- Limited ability to make additional repayments and access redraw during the fixed rate period.
- Package benefits, including interest rate discounts, on fully featured products with the payment of a Package annual fee.
- Break costs may apply if a fixed rate period is broken early.
- Line of credit functionality for existing customers who had these features before transfer, within existing approved credit limits.

### Sub-target market for customers with a basic home loan

This product option is likely to be appropriate for existing customers within the target market who:

- Want a basic home or investment loan without package benefits.
- May want repayment flexibility, including the ability to make additional repayments and access redraw where available.

**Sub-target market for customers with a fully featured home loan**

This product option is likely to be appropriate for existing customers within the target market who:

- Want a flexible home or investment loan with access to package benefits with the payment of an annual package fee.

**Sub-target market for customers with a variable interest rate loan**

This product option is likely to be appropriate for existing customers within the target market who:

- Will benefit from the additional loan features available with a variable interest rate loan who understand and are able to manage repayments which can change at any time.
- Are likely to have the ability to make extra repayments, at any time, up to the outstanding loan amount.

**Sub-target market for customers with a fixed interest rate loan**

This product option is likely to be appropriate for existing customers within the target market who:

- Require the certainty of a fixed interest rate and fixed repayments for a fixed period, understanding that they will not benefit from interest rate decreases during the fixed rate period.
- Understand that break costs may apply and that additional repayments and redraw may be limited during the fixed rate period.

**Sub-target market for customers with redraw functionality**

This feature is likely to be appropriate for existing customers within the target market who:

- Have made additional repayments and want continued flexibility to access those available funds after transfer to Pepper for variable and fixed interest rate loans
- Understand that redraw is subject to the terms of their loan and any applicable limits.

**Sub-target market for customers with a line of credit facility**

This feature is likely to be appropriate for existing customers within the target market who:

- Already held a RAMS line of credit facility before the transfer to Pepper and want continued access within existing approved limits.
- Do not require an increase to their existing approved credit limit.

**Consumers for whom this product may not be appropriate**

This product may not be appropriate for individuals who:

- Are not existing RAMS customers whose loans are transferring to Pepper.
- Require a new RAMS branded home loan after the transfer date.
- Need a loan predominantly for business purposes.
- Want a home loan with an offset feature.
- Do not meet applicable eligibility or credit criteria.
- Cannot demonstrate their capacity to repay debt over a sustained period.
- Require an increase to their existing approved credit limit as part of the transfer.
- Require a product feature not available under their existing transferred loan.

## 4. How this product is to be distributed

This product is designed to be distributed only in connection with the transfer of existing RAMS home loans to Pepper. It must not be distributed as a new product to new customers.

This product is designed to be distributed through the following channels:

- Directly via appropriately authorised Pepper Money employees (Direct Channel).
- Pepper Money's authorised service providers, where approved to assist with the servicing and processing of the transferred loans.

### Distribution conditions

Conditions specified below are deemed appropriate and ensure that the products are only distributed in accordance with this TMD. These conditions:

- Limit distribution to the existing transferring RAMS customer cohort, ensuring the product or feature made available is consistent with the consumer's existing transferred RAMS loan.
- Ensure redraw or line of credit functionality is only made available where the consumer had that functionality before transfer and does not increase the consumer's existing approved credit limit.
- Ensure staff and service providers involved in distribution or transition activities are appropriately trained and required to follow Pepper's policies, procedures and systems as relevant.

## 5. Reviewing this target market determination

Pepper Money will review this TMD in accordance with the following:

### Review periods

First review date: within twelve months of the effective date.

Periodic reviews: every twelve months after the initial review and each subsequent review.

### Review triggers

This TMD will be reviewed if any of the following events occur:

- There is a material change to the product including to the fees, features or the terms and conditions of the product, except where the TMD has already been reviewed in relation to that change.
- There is a material change in the regulatory requirements in relation to the product, except where the TMD has already been reviewed in relation to that change.
- A significant dealing of the product to consumers outside the target market occurs.
- External events such as adverse media coverage or regulatory attention suggest that the target market for the product might not be appropriate.
- There is a material, unexpected increase in complaints, consumers in default or hardship when measured against approved metrics, determined by reference to our Design and Distribution Obligations (DDO Policy).
- Distribution conditions are found to be inadequate.

- We receive correspondence from a regulator, including a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

## 6. Reporting and monitoring this target market determination

The following information must be provided by Pepper Money distributors to Pepper Money in relation to the distribution conduct of the products covered by this TMD, if not available to Pepper Money.

Distributors should provide all reporting to ddoreporting@pepper.com.au

| Type of information | Description | Reporting Period |
|---|---|---|
| All complaints received in relation to the product, Pepper Money or the distributor | Written details of the complaint, including name and contact details of complainant and substance of the complaint. | Within 1 business day from the date of the complaint |