



Design and Distribution Obligations

From 5 October 2021 the Design and Distribution Obligations (DDO) commence. The DDO regime applies to all credit contracts regulated by the National Credit Code, including our Asset Finance product.

Pepper Money has documented four TMDs:

- Asset Finance TMD
- Home Loan TMD – this TMD covers our Home Loan, including Prime, Near Prime and Specialist
- Home Loan Construction TMD
- Home Loan Non-Standard (Regulated CRE) TMD – this TMD covers our Non-Standard Home Loan, including Prime and Near Prime

As a valued White Label Partner of Pepper Money please find your TMDs attached.

What does this mean for you?

Publication of TMDs

- The TMDs provided can be published on your public facing internet site or made available to consumers and brokers as you see fit.
- Pepper Money will advise you if a TMD has changed, in this scenario you must ensure the correct version is available to consumers and brokers.

Distributor Obligations

You must ensure all brokers understand the following requirements in accordance with the DDO regime.

- **Take reasonable steps to ensure distribution is consistent with the target market defined in the TMD.** This includes maintaining familiarity with the applicable TMDs for all white label products. It is important to note that all TMDs are aligned with existing product guides and credit policy. White Label Partners must ensure all distributors within their group have received the link to the applicable TMDs for all white label products and understand the requirement to familiarise themselves with the document and ensure they distribute white label products in alignment with the applicable TMDs.
- **Provide the applicable TMD to customers upon request.** White Label Partners must ensure all distributors within their group know where to access white label TMDs and the requirement to provide them to customers upon request.
- **Not engage in distribution of a product if a TMD is not available or no longer appropriate.** Pepper Money will advise you immediately if this is required.
- **Record keeping** You must ensure that you save all information related to the below for at least seven (7) years:

- Information to demonstrate that it has taken the necessary steps to comply with distributor obligations;
- The number of complaints received about a product or service and related complaint information; and
- Significant dealing information.
- **Report complaints about Pepper Money products and services and significant dealings outside of target market** to Pepper Money as soon as is possible, and no later than 10 business days after encountering the complaint / uncovering the significant dealings outside target market. You must report this to ddoreporting@pepper.com.au. This information is reported to Pepper Money by the relevant partner group, and partners must collect this information from distributors within their group and report it to Pepper within the aforementioned time periods.
 - For complaints, please include the following information:
 - Application/Loan account (if applicable)
 - Customer Surname
 - Summary of complaint
 - Is complaint with AFCA
 - Name of individual introducer / broker associated with complaint
 - Has complaint been escalated to Pepper already?
 - Please note significant dealings are categorised as 5% of total applications within the previous rolling 3 month period which are outside the Target Market.

You will receive further communication regarding your distribution of Pepper Money branded home loans if applicable to your partnership with Pepper Money.

If you have any questions, please reach out to your BDM or Relationship Manager.

Connective Solutions Team

 1800 737 737

 whitelabel@pepper.com.au

All applications are subject to credit assessment and eligibility criteria. Terms, conditions, fees and charges apply. Offers may be continued, withdrawn or changed at any time without notice.

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As a Pepper Money accredited broker you will receive emails regarding Pepper Money products and services. If you have any queries in relation to your accreditation with Pepper Money, please email accreditations@pepper.com.au