

Target Market Determination (TMD)

Product: Variable Rate Home Loans



Made by	Credit Union SA Ltd ABN 36 087 651 232 AFSL/Australian Credit Licence 241066
Version Number	1.0

Effective date	5 October 2021
Last review date	-
Ceased date	In use

Target Market

a) Product description (including key attributes)

Members in the target market for these products are members (current or future) who want to finance the acquisition of a property for residential or investment purposes, or refinance other finance that has been provided for that purpose, and who want a loan that has the key product attributes listed below:

Standard Rate Products	Discounted Rate Products	Package Products
Owner Occupied	Owner Occupied	Owner Occupied
Loan term of 1 to 30 years	Loan term of 1 to 30 years	Loan term of 1 to 30 years
Minimum borrowing of \$20,000	Minimum borrowing of \$20,000	Minimum borrowing of \$150,000
Maximum borrowing subject to lending assessment	Maximum borrowing subject to lending assessment	Maximum borrowing subject to lending assessment
Maximum loan to valuation ratio (LVR) 90% (including capitalised cost of any required lender's mortgage insurance (LMI))	Maximum LVR 90% (including capitalised cost of any required LMI)	Maximum LVR 95% (including capitalised cost of any required LMI) for first home buyers and Education Community and Workplace Banking Benefits members, or 90% (including capitalised cost of any required LMI) for all other members
Repayments principal and interest (P&I), or interest only (IO) up to 5 years. Loans with IO repayments are capped at 80% LVR	Repayments P&I, or IO up to 5 years. Loans with IO repayments are capped at 80% LVR	Repayments P&I, or IO up to 5 years. Loans with IO repayments are capped at 80% LVR
Repayment frequency weekly, fortnightly or monthly (monthly only for IO)	Repayment frequency weekly, fortnightly or monthly (monthly only for IO)	Repayment frequency weekly, fortnightly or monthly (monthly only for IO)
Unlimited additional repayments without cost	Unlimited additional repayments without cost	Unlimited additional repayments without cost
Unlimited redraw available	Unlimited redraw available	Unlimited redraw available
100% Offset facility available	-	100% Offset facility available
Investment	Investment	Investment
Loan term of 1 to 30 years	Loan term of 1 to 30 years	Loan term of 1 to 30 years
Minimum borrowing of \$20,000	Minimum borrowing of \$20,000	Minimum borrowing of \$150,000
Maximum borrowing subject to lending assessment	Maximum borrowing subject to lending assessment	Maximum borrowing subject to lending assessment
Maximum LVR 90% (including capitalised cost of any required LMI)	Maximum LVR 90% (including capitalised cost of any required LMI)	Maximum LVR 90% (including capitalised cost of any required LMI)
Repayments P&I, or IO up to 5 years. Loans with IO repayments are capped at 80% LVR	Repayments P&I, or IO up to 5 years. Loans with IO repayments are capped at 80% LVR	Repayments P&I or IO up to 5 years. Loans with IO repayments are capped at 80% LVR
Repayment frequency weekly, fortnightly or monthly (monthly only for IO)	Repayment frequency weekly, fortnightly or monthly (monthly only for IO)	Repayment frequency weekly, fortnightly or monthly (monthly only for IO)
Unlimited additional repayments without cost	Unlimited additional repayments without cost	Unlimited additional repayments without cost
Unlimited redraw available	Unlimited redraw available	Unlimited redraw available
100% offset facility available	-	100% offset facility available

b) The likely objectives, financial situation and needs of members in the target market for these products are that they:

- Need funds to finance the purchase of a residential or investment property or refinance other finance that has been provided for such a purpose
- Prefer to have a variable interest rate
- Meet Credit Union SAs lending criteria
- May have already owned real property and obtained a home loan or may be buying a property and obtaining a home loan for the first time. Members will therefore have differing levels of knowledge and experience with home loans including, potentially, very little or no such experience
- Are seeking to have an offset account linked to their variable rate home loan (unless the loan is a Discounted Rate Product)

c) These products have not been designed for members who:

- Want a fixed interest rate and fixed repayments
- Do not meet Credit Union SAs lending criteria.

d) Other information:

Home Loan Package Terms and Conditions relating to this product:

[Download](#)

This TMD does not replace the product terms and conditions, and members (future or current) should refer to these before purchasing the product.

Home Loan interest rates, fees and charges brochure:

[Download](#)

Distribution Conditions

Products to which this TMD applies may be distributed through any of the following channels:

- Online through our digital channels
- In our branch
- Via our Member Experience Centre
- Through mortgage brokers who are able to submit loan applications to us ('third-party distributors')

All these channels are monitored by Credit Union SA and staffed by persons trained and accredited in the distribution of the products in accordance with our terms and conditions.

Review Triggers

The following review triggers apply for these products:

- There are significant dealings in the products that are not consistent with this TMD
- Material changes to the regulatory environment
- Material changes to the product terms and conditions, other than changes to interest rates and consequential changes to repayments, or material changes to distribution
- More than 10% member complaints in any 6-monthly period claiming that the products, or their features, did not satisfy the member's needs.

Review Period

An initial review of this TMD will occur within 12 months.

This TMD is then to be reviewed at least every 12 months.

The Senior Manager Marketing and Product Management is responsible of initiating the review process at least one month prior to the end of each review period.

Information Reporting

The following table sets out the information which we require to be reported to us related to the products by persons who engage in retail distribution conduct in respect of the products.

Unless otherwise stated, the first reporting period commences on the date this TMD is made. Each subsequent reporting period begins on the day following the end of the prior reporting period.

Information required to be reported	Who is required to report?	How frequently is a report required (reporting period)?
The number of complaints received in relation to the products during the reporting period (which may be 0)	Senior Manager Member Experience (in respect of complaints lodged with Credit Union SA directly) and Each third-party distributor of the products.	6-monthly
Complaint details (date the distributor first received the complaint, substance of complaint and general feedback relating to the products and their performance)	Each third-party distributor of the products.	6-monthly
Complaints about the products escalated to the Australian Financial Complaints Authority (AFCA) status	Internal or External Disputes Resolution Officer	6-monthly
Significant dealing(s) including date and description of the significant dealing	Third-party distributors	As soon as practicable, and in any case within 10 business days

Appendix

This TMD applies to the following products:

Standard Variable Rate Products	
Owner Occupied Standard Variable Rate Home Loans	Investment Standard Variable Rate Home Loans
Standard Variable Rate – P&I	Standard Variable Rate – P&I
Standard Variable Rate – IO	Standard Variable Rate – IO

Discounted Variable Rate Products	
Owner Occupied Discounted Variable Rate Home Loans	Investment Discounted Variable Rate Home Loans
Discounted Variable Rate – P&I	Discounted Variable Rate – P&I
Discounted Variable Rate – IO	Discounted Variable Rate – IO

Package Products	
Owner Occupied Variable Home Loan Packages	Investment Variable Home Loan Packages
Variable Home Loan Package – P&I	Variable Home Loan Package – P&I
Variable Home Loan Package – IO	Variable Home Loan Package – IO