

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
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Effective date	9 May 2024
Last review date	15 April 2024
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
Ability to have a third party guarantor	Ability to have a third party guarantor	Ability to have a third party guarantor
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
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 interest only (IO) repayments are capped at 80% LVR	Repayments P&I, or IO up to 5 years. Loans with interest only (IO) repayments are capped at 80% LVR
Available for bridging purpose	-	-
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
Available for bridging purpose	-	-
Investment	Investment	Investment
Loan term of 1 to 30 years	Loan term of 1 to 30 years	Loan term of 1 to 30 years
Ability to have a third party guarantor	Ability to have a third party guarantor	Ability to have a third party guarantor
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 97% (including capitalised cost of any required LMI). Maximum LVR of 80% for IO.	Maximum LVR 97% (including capitalised cost of any required LMI). Maximum LVR of 80% for IO.	Maximum LVR 97% (including capitalised cost of any required LMI). Maximum LVR of 80% for IO.
Repayments P&I, or IO up to 5 years.	Repayments P&I, or IO up to 5 years.	Repayments P&I or IO up to 5 years.
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 to finance the purchase of a residential property or refinance another loan provided for such a purpose
- Want the certainty of a fixed interest rate and fixed repayments for an initial period
- 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 have differing levels of knowledge and experience with home loans including, potentially, very little or no such experience
- May be applying for the Home Guarantee Scheme (HGS) loan which is administered by Housing Australia on behalf of the Australian Government
- If applicable, they meet the eligibility criteria of the relevant Housing Australia HGS
- Members who want to purchase under a third-party guarantee to assist with the acquisition of a property (subject to Credit Union SAs applicable lending criteria) must consider the following:
 - Borrowers must provide at least 5% of the purchase price of the property from genuine savings, which has been saved regularly over at least 3 months
 - A family member or members (i.e. parents) must provide a guarantee in relation to the loan, limited to the amount required to achieve a loan to valuation ratio (LVR) of 80%, and must provide security for the guarantee in the form of a mortgage over real estate or a charge over a term deposit with Credit Union SA
 - Credit Union SA will release the guarantee as soon as the LVR of the property purchased is 80% or less. Alternatively, the guarantee can be released earlier if LMI is arranged as a substitute for the security provided by guarantee
 - Borrowers are responsible for repaying the full amount of the loan. Guarantors are only responsible for their part of the loan if the borrowers default

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.
- Where applicable, do not meet the eligibility criteria of the Housing Australia Home Guarantee Scheme.

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 accredited 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

We will review this TMD at least every 12 months.

Information Reporting

The below sets out the information Credit Union SA requires to be reported to us related to the products by persons who engage in the distribution 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.

Credit Union SA or distributors of Credit Union SA products will report on the following:

- The number of complaints received in relation to the products during the reporting period (which may be 0) every 6 months
- Complaints about the products escalated to the Australian Financial Complaints Authority (AFCA) status ('Yes' or 'No'), if applicable every 6 months
- Complaint details (date the Distributor first received the complaint, substance of complaint and general feedback relating to the products and their performance) every 6 months
- Significant dealing(s) including date and description of the significant dealing (as soon as practicable or 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
Low Deposit Variable Home Loan package - P&I	-