

# Target Market Determination (TMD)

Product: Housing Australia Home Guarantee Scheme Backed Loans



<b>Made by</b>	Credit Union SA Ltd ABN 36 087 651 232 AFSL/Australian Credit Licence 241066
<b>Version Number</b>	3.0

<b>Effective date</b>	1 July 2022
<b>Last review date</b>	15 April 2024
<b>Ceased date</b>	15 April 2024

## Target Market

### a) Product description (including key attributes)

Members in the target market for this product are members (current or future) who want to purchase their first home or re-enter the property market, who have limited savings, who want to reduce their costs to purchase a home (by not needing to pay lenders mortgage insurance (LMI)), and who meet the eligibility criteria of the Housing Australia Home Guarantee Scheme.

This TMD should be read in conjunction with the TMDs for our Variable Rate Home Loans and Fixed Rate Home Loans, as the Housing Australia Home Guarantee Scheme applies in relation to the products described in those TMDs where the scheme criteria are satisfied.

Where the target markets, and key product attributes, described in those TMDs are inconsistent with the target market and product attributes described in this TMD, those in this TMD apply to members who satisfy the Housing Australia Home Guarantee Scheme eligibility criteria, to the extent of that inconsistency.

Members in the target market will want a loan which satisfies the key product attributes listed below (which include the Housing Australia Home Guarantee Scheme eligibility criteria):

#### First Home Guarantee (FHBG)

The FHBG supports eligible first home buyers to purchase their first home sooner. It is administered by Housing Australia under the Home Guarantee Scheme on behalf of the Australian Government.

Usually, first home buyers with less than a 20 per cent deposit need to pay LMI. Under the FHBG, eligible first home buyers can purchase an eligible residential property with a deposit of as little as 5 per cent (lenders criteria apply). This is because Housing Australia guarantees to a participating lender up to 15 percent of the value of the property purchased that is financed by an eligible first home buyer's home loan.

#### Family Home Guarantee (FHG)

The FHG aims to support eligible single parents with at least one dependent child in purchasing a family home. Under the FHG, part of an eligible single parent's home loan from a Participating Lender will be guaranteed by Housing Australia. This is aimed at enabling single parents to purchase their family home sooner with as little as a 2% deposit.

### 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 an eligible residential property
- Meet the eligibility criteria of the Housing Australia Home Guarantee Scheme
- Meet Credit Union SA's lending criteria
- Have enough savings to pay at least 5% of the purchase price of the property for FHBG scheme applicants or 2% for FHG scheme applicants including additional funds available to cover standard loan fees and charges, stamp duty and conveyancing costs.
- Want to reduce their costs to purchase a home (by not needing to pay lenders mortgage insurance (LMI)).
- May have already owned real property and obtained a home loan (FHG scheme) or may be buying a property and obtaining a home loan for the first time (FHBG scheme). Members will have differing levels of knowledge and experience with home loans.

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

- Have enough savings to pay at least 20% of the purchase price (plus fees, charges and stamp duty) of the property they wish to purchase
- Do not meet the criteria of the Housing Australia Home Guarantee Scheme eligibility criteria
- Do not meet Credit Union SA's lending criteria.

### d) Other information:

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 (8202 7777)
- Through mortgage brokers who are accredited to submit loan applications to us ('third-party distributors')

All 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 product that are not consistent with this TMD.
- Material changes to the regulatory environment.
- Material changes to the design of the product, or the product terms and conditions.
- More than 10% member complaints in any 6-period claiming that the product, or its features, did not satisfy the member's needs.
- Credit Union SA no longer participates in the Housing Australia Home Loan Guarantee Scheme.

## 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).