

Target Market Determination – NICU Credit Cards (home loan rewards)

Product	NICU Home Loan Rewards Visa Classic Credit Card (\$55)
Issuer	Northern Inland Credit Union Limited ACN 36 087 422 AFSL and ACL 235022
TMD date	05.10.2021
Target Market	<p>Description of target market: retail clients who:</p> <ul style="list-style-type: none"> • are seeking a non-cash payment facility, to make purchases and pay bills on credit and to manage their cashflow needs • are aged 18 years or more and meet the credit assessment criteria for the product • have a NICU mortgage account that is not in arrears nor in default, and seek to be rewarded with a lower interest rate • are seeking a lower rate of interest so that they have the option to spread repayments over more than one statement cycle • are not seeking to earn reward points which they can then redeem • are seeking to manage their cashflow using the interest free period even if that means higher interest and fees • are unlikely to carry a substantial balance for a prolonged period because of their financial circumstances. <p>Description of product, including key attributes: this is a NICU Home Loan Rewards Visa Classic Credit Card. The key attributes are:</p> <ul style="list-style-type: none"> • credit limits of between \$1,000 and \$25,000 • variable interest rate for both purchases and cash advances, which is discounted on the NICU Visa Classic Credit Card Rate • an annual fee of \$40 • \$2.50 over the counter fee for cash advances, and \$1.50 fee for ATM balance inquiries and ATM declined transactions • For the life of the cardholder's NICU mortgage account, a discounted interest rate applies; after closure of the mortgage account, the interest rate reverts to the NICU Visa Classic Credit Card rate • an interest free period of 55 days on purchases • no security required for the Visa Credit Card, but a NICU mortgage account is required for the discounted variable interest rate • monthly statements • minimum monthly repayments of the greater of \$20 or 2% of the outstanding balance.
Distribution Conditions	<p>Distribution conditions: this product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> • NICU branches • NICU call centres • NICU's website • Canstar (including Rate City) website. <p>Distribution conditions for this product include:</p> <ul style="list-style-type: none"> • Ensuring that retail clients meet the eligibility requirements for the product • Ensuring that distribution through branches, call centres, and NICU website application, is by appropriately trained staff • Ensuring Canstar (including Rate City) website search parameters are in accordance with this TMD. <p>There are no other distributors for this product.</p>
Review Triggers	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate; • A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate; • A significant number of account closures that reasonably suggest the TMD is no longer appropriate. <p>The Product Governance Framework includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG 274.</p>

Review Periods	<p>First review date: 6 months after the effective date of the TMD first being issued, being 5 April 2022.</p> <p>Periodic reviews: subsequent periodic reviews every 2 years after the effective date of the TMD first being issued, commencing 5 October 2023.</p>		
Distribution Information Reporting Requirements	<p>The following information must be provided to NICU by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	Type of information	Description	Reporting period
	Significant dealing(s)	Date range of the significant dealing(s) and description (eg, why it is not consistent with the TMD). Examination of the Membership and Accounts Activity Report for compliance with TMD: an occurrence of 10% or more per report of accounts opened is deemed a significant dealing contrary to the TMD and triggers a review of the TMD and distribution network.	As soon as practicable, and in any case within 10 business days after becoming aware. The Membership and Accounts Activity Report is examined by Compliance, within 10 days of the system generating the report. The procedure includes an examination of account eligibility which has been extended to encompass acquiring an account by a Member who is outside the TMD. Any cases of accounts for Members outside of the TMD is reported immediately to the Head of Compliance for correction. A significant dealing contrary to the TMD requires notification to the RMC immediately.
	Complaints	3 complaints over a 3 month period specific to a product	Monthly. A summary of complaints is made monthly by Compliance to the RMC and the Board. A complaints register is maintained by Compliance for the purpose of completing the annual AFCA return.
	Material changes to fees or rates	Material changes to fees or rates may affect suitability and match for objectives for TMD	Material changes to rates or fees which result in a product no longer being suitable may be caught by monitoring mechanisms for complaints and account closure (see above)
Account closure	Account closure by retail client	Where closure of the account occurs unrelated to the continuity of the Membership, and such closures amount to 10% or more of account closures overall during the month, a review is triggered.	