

Target Market Determination – NICU Housing Loans: Owner Occupier interest only

Product	Dream Value Home Loan (L33) Variable Smart Home Loan (L29)
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 loan to: <ul style="list-style-type: none"> ○ purchase or renovate a home; ○ refinance an existing home loan; or • are aged 18 years or more and meet the credit assessment criteria for the product • are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan where LVR is less than 90% • need an interest only period so as to complete the construction of a home before commencing principal and interest reductions, or whilst selling other property to enable repayment of the loan, or to manage planned leave such as maternity • need the facility to redraw advance repayments • need the ability to make progressive drawdowns • are seeking an offset account, and a NICU Home Loan Rewards Visa Classic Credit Card, even if that means higher interest or higher fees <p>Description of product, including key attributes: this is an owner occupier interest-only home loan secured over real property. The key attributes are:</p> <ul style="list-style-type: none"> • loan amounts of between \$150,000 and \$2,000,000 for the Dream Value Home Loan, and \$20,000 to \$2,000,000 for the Variable Smart Home Loan • loan terms of up to 5 years • interest only repayments, where interest is fixed or variable • variable interest rate and fixed interest rates, based on LVR and term • repayment frequency can be weekly/fortnightly/monthly • a redraw facility is available for advance repayments • a mortgage offset account is available • access to the NICU Home Loan Rewards Visa Classic Credit Card, and for the Dream Value Home Loan only – waiver of the Visa Credit Card annual fee • Establishment fee of \$600 for the Variable Smart Home Loan, and no establishment fee for the Dream Value Home Loan • For the Variable Smart Home Loan, a monthly account keeping fee of \$8 • For the Dream Value Home Loan, an annual fee of \$350. <p>Description of likely objectives, financial situation and needs of consumers in the target market This product is designed for consumers who:</p> <ul style="list-style-type: none"> • Plan to revert to a principal and interest home loan when their circumstances change • Require a period of relief from principal and interest repayments for a period of time due to their circumstances
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 • Brokers • 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 brokers only refer applicants who meet the eligibility requirements for the product • Ensuring Canstar (including Rate City) website search parameters are in accordance with this TMD.

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. 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.	