

Target Market Determination – Personal Loans – unsecured and fixed rate

Product	Smart Personal Loan (L77)
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 for any worthwhile purpose including to make a purchase or to consolidate an existing debt • Are aged 18 years or more and meet the credit assessment criteria for the product • Are unable or unwilling to offer security for the loan even though that means a higher interest rate will apply • Need the certainty of a fixed interest rate and fixed repayments for the term of the loan • Do not need the option of being able to make additional repayments without penalty. <p>Description of product, including key attributes: this is a Smart Personal Loan - an unsecured fixed rate personal loan. The key attributes are:</p> <ul style="list-style-type: none"> • loan amounts between \$5,000 and \$75,000 • loan terms of up to 5 years • fixed interest rate • repayment frequency can be weekly/fortnightly/monthly • unable to make additional repayments without incurring a break cost fee • unable to make redraws of advance payments • no need to provide security for the loan • \$200 establishment fee • \$8 monthly account keeping fee. <p>Classes of consumers for whom the product is clearly unsuitable: this product is not suitable for retail clients who:</p> <ul style="list-style-type: none"> • Are able and willing to offer security for the loan so as to secure a lower interest rate. • Need the flexibility to make additional repayments and to redraw advance repayments as required.
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. <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. Periodic reviews: subsequent periodic reviews every 2 years after the effective date of the TMD first being issued, commencing 5 October 2023.</p>																	
	<p>The following information must be provided to NICU by distributors who engage in retail product distribution conduct in relation to this product:</p>																	
Distribution Information Reporting Requirements	<table border="1"> <thead> <tr> <th data-bbox="164 353 472 394">Type of information</th> <th data-bbox="472 353 847 394">Description</th> <th data-bbox="847 353 1501 394">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="164 394 472 869">Significant dealing(s)</td> <td data-bbox="472 394 847 869">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.</td> <td data-bbox="847 394 1501 869">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.</td> </tr> <tr> <td data-bbox="164 869 472 1025">Complaints</td> <td data-bbox="472 869 847 1025">3 complaints over a 3 month period specific to a product</td> <td data-bbox="847 869 1501 1025">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.</td> </tr> <tr> <td data-bbox="164 1025 472 1160">Material changes to fees or rates</td> <td data-bbox="472 1025 847 1160">Material changes to fees or rates may affect suitability and match for objectives for TMD</td> <td data-bbox="847 1025 1501 1160">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)</td> </tr> <tr> <td data-bbox="164 1160 472 1314">Account closure</td> <td data-bbox="472 1160 847 1314">Account closure by retail client</td> <td data-bbox="847 1160 1501 1314">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.</td> </tr> </tbody> </table>			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.
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