

## Target Market Determination – Personal Loans – unsecured and variable rate

<b>Product</b>	Smart Personal Loan (L77)
<b>Issuer</b>	Northern Inland Credit Union Limited ACN 36 087 422 AFSL and ACL 235022
<b>TMD date</b>	05.10.2021
<b>Target Market</b>	<p><b>Description of target market:</b> retail clients who:</p> <ul style="list-style-type: none"> <li>• Are seeking a loan for any worthwhile purpose including to make a purchase or to consolidate an existing debt</li> <li>• Are aged 18 years or more and meet the credit assessment criteria for the product</li> <li>• Are unable or unwilling to offer security for the loan even though that means a higher interest rate will apply</li> <li>• Need the flexibility to make additional repayments and a contractual right to redraw advance repayments as required.</li> </ul> <p><b>Description of product, including key attributes:</b> this is a Smart Personal Loan – an unsecured variable rate personal loan. The key attributes are:</p> <ul style="list-style-type: none"> <li>• loan amounts between \$5,000 and \$75,000</li> <li>• loan terms of up to 5 years</li> <li>• variable interest rate</li> <li>• repayment frequency can be weekly, fortnightly or monthly</li> <li>• the ability to make additional repayments</li> <li>• a redraw facility</li> <li>• no need to provide security for the loan</li> <li>• \$200 establishment fee</li> <li>• \$8 monthly account keeping fee.</li> </ul> <p><b>Classes of consumers for whom the product is clearly unsuitable:</b> this product is not suitable for retail clients who:</p> <ul style="list-style-type: none"> <li>• Are able and willing to offer security for the loan so as to secure a lower interest rate.</li> <li>• Need the certainty of a fixed interest rate and fixed repayments for the term of the loan.</li> </ul>
<b>Distribution Conditions</b>	<p><b>Distribution conditions:</b> this product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> <li>• NICU branches</li> <li>• NICU call centres</li> <li>• NICU’s website</li> <li>• Brokers</li> <li>• Canstar (including Rate City) website.</li> </ul> <p>Distribution conditions for this product include:</p> <ul style="list-style-type: none"> <li>• Ensuring that retail clients meet the eligibility requirements for the product</li> <li>• Ensuring that distribution through branches, call centres, and NICU website application, is by appropriately trained staff</li> <li>• Ensuring brokers only refer applicants who meet the eligibility requirements for the product</li> <li>• Ensuring Canstar (including Rate City) website search parameters are in accordance with this TMD.</li> </ul> <p>There are no other distributors for this product.</p>
<b>Review Triggers</b>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to consumers outside the target market occurs;</li> <li>• 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;</li> <li>• 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;</li> <li>• A significant number of account closures that reasonably suggest the TMD is no longer appropriate.</li> </ul> <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>

<b>Review Periods</b>	<p><b>First review date:</b> 6 months after the effective date of the TMD first being issued, being 5 April 2022.  <b>Periodic reviews:</b> subsequent periodic reviews every 2 years after the effective date of the TMD first being issued, commencing 5 October 2023.</p>		
<b>Distribution Information Reporting Requirements</b>	The following information must be provided to NICU by distributors who engage in retail product distribution conduct in relation to this product:		
	<b>Type of information</b>	<b>Description</b>	<b>Reporting period</b>
	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.	