

Target Market Determination – Auto Loans

Product	<p>A fixed or variable secured auto loan for the purpose of purchasing a vehicle, boat, caravan, trailer or any other personal property security.</p> <p>L62 Auto Loan – secured fixed L62 Fixed Auto Loan (Best Rate Car Loan) - secured L62 New Variable Auto Loan (Best Rate Car Loan) - secured</p>
Issuer	<p>Warwick Credit Union Ltd ABN 98 087 651 116 AFSL/ Australian Credit Licence 240556</p>
Date of TMD	<p>05 October 2021</p>
Target Market	<p>Description of target market</p> <p>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 <p>Description of product, including key attributes</p> <p>Auto Loan – L62</p> <p>Secured variable/secured fixed</p> <ul style="list-style-type: none"> • are able and willing to offer acceptable security for the loan so as to secure a lower interest rate <p>This is a secured fixed/variable rate auto loan. The key attributes are:</p> <ul style="list-style-type: none"> • loan amounts between \$5,000 and \$50,000 • loan terms of up to 60 months • fixed interest rate for 36 months then variable rate applies • repayment frequency can be weekly/fortnightly/monthly • unable to make redraws of advance payments • acceptable security for the loan must be provided (motor vehicle, boat, caravan, trailer or other approved personal property) • Establishment fee, monthly loan service fee and Personal Property Security fees apply

Description of product, including key attributes

**L62 – Variable Auto Loan – (New Variable Best Rate Car Loan)
Secured variable**

This is a secured variable rate auto loan. The key attributes are:

- loan amounts between \$5,000 and \$50,000
- loan terms of up to 60 months
- variable interest rate
- repayment frequency can be weekly/fortnightly/monthly
- the ability to make additional repayments
- unable to make redraws of advance payments
- acceptable security for the loan must be provided
- Establishment fee, monthly loan service fee and Personal property security fees apply

**L62 – Fixed Auto Loan (New Best Rate Car Loan)
Secured fixed/variable**

This is a secured fixed/variable rate auto loan. The key attributes are:

- loan amounts between \$5,000 and \$50,000
- 20% deposit required
- loan terms of up to 60 months
- fixed interest rate for 36 months then variable rate applies
- repayment frequency can be weekly/fortnightly/monthly
- unable to make redraws of advance payments
- acceptable security for the loan must be provided (motor vehicle, boat, caravan, trailer or other approved personal property)
- Establishment fee, monthly loan service fee and Personal Property Security fees apply

Description of likely objectives, financial situation and needs of consumers in the target market

This product is designed for consumers who:

- seeks finance to purchase a motor vehicle, boat, caravan or other approved personal property with a fixed or variable rate or a combination of both
- has the financial capacity to pay fees, interest and repayments of principal as and when such amounts become payable and due

	<p><i>Classes of consumers for whom the product is clearly unsuitable</i></p> <ul style="list-style-type: none"> • Customer who is under the age of 18 years • Customer who cannot meet the credit assessment criteria • Customer who wants to borrow more than \$50,000 • Customer who cannot provide acceptable security • Customer who does not have the financial capacity to pay fees, interest and repayments of principal as and when amounts become payable and due • Customer who does not have 20% deposit (New best rate car loan)
<p>Distribution Conditions</p>	<p><i>Distribution conditions</i></p> <p>This product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> • branches • call centres • online application only <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 and call centres is by appropriately trained staff <p>There are no other distributors for this product.</p>
<p>Review Triggers</p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate are:</p> <ul style="list-style-type: none"> • a significant dealing of the product to retail clients 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 <p>The <i>Product Governance Framework</i> 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>
<p>Review Periods</p>	<p><i>First review date:</i> 1 December 2021</p> <p><i>Periodic reviews:</i> We will review this TMD after 3 months of release and then every year after the initial and each subsequent review.</p>

**Distribution
Information
Reporting
Requirements**

The following information must be provided to Warwick Credit Union Ltd by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
Complaints	Number of complaints	Every 3 months