

**Target Market Determination – Home Owners Package Investment Loan**

<b>Product</b>	Home Owners Package Investment loan – A fixed rate credit facility used to purchase a residential property or refinance an existing home loan facility for Investment purposes  <b>L44 Home Owners Package Investment Loan</b> - secured/fixed/variable combination/interest only/principle & interest reducing
<b>Issuer</b>	Warwick Credit Union Ltd ABN 98 087 651 116 AFSL/ Australian Credit Licence 240 556
<b>Date of TMD</b>	5 October 2021
<b>Target Market</b>	<p><b>Description of target market</b></p> <p><b>Home Owners Package Loan - Investment</b></p> <p>Retail clients who:</p> <ul style="list-style-type: none"><li>• are seeking a loan to:<ul style="list-style-type: none"><li>○ purchase or renovate an investment property;</li><li>○ refinance an investment loan; or</li><li>○ top up an existing loan for any worthwhile investment purpose</li></ul></li><li>• are aged 18 years or more and meet the credit assessment criteria for the product</li><li>• are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan</li><li>• are seeking a credit facility with additional benefits</li><li>• are seeking a discount on fixed interest rates</li><li>• need progressive drawdowns</li><li>• ability to make additional repayments capped at \$20,000</li><li>• loans not exceeding 80% LVR</li><li>• wanting bonus interest rate on term deposits</li><li>• wanting 5% discount on house and contents insurance</li></ul> <p><b>Term Deposit Package Benefit</b></p> <p>Retail clients who:</p> <ul style="list-style-type: none"><li>• require a saving account with restrictions on withdrawals to help them save</li><li>• need a low or no fee account even if that means fewer features</li><li>• need an account offering higher returns even if that means restrictions on access to the funds</li><li>• need the certainty of a fixed rate on their savings</li></ul>

- do not need the ability to withdraw funds at call prior to maturity of the deposit

***Home Owners Package Fixed Rate Loan***

- need the certainty of a fixed interest rate and fixed repayments for an introductory period

***Home Owners Package Interest Only Loan***

- need an interest only period for tax planning reasons so as to complete the construction of a home before commencing principal and interest reductions/whilst selling other property to enable repayment of the loan

***Home Owners Package Principal & Interest Reducing Loan***

- need to make regular repayments of interest and principal over the term of the loan

***Home Owners Package Loan - Description of product, including key attributes***

This is a home owners package loan secured over real property. The key attributes are:

- loan amounts of between \$5,000 and \$3,000,000
- loan terms of up to 30 years
- interest only/principal and interest reducing/combinations
- interest rate fixed/variable combinations
- additional discount of 0.25% pa above the home owners package rate on 1 and 2 year fixed rates
- repayment frequency can be weekly/fortnightly/monthly
- the ability to make additional repayments capped at \$20,000
- unable to redraw advance payments during a fixed rate period
- progressive drawdowns
- must provide a registered first mortgage over real property or other acceptable security
- Loans must not exceed 80% LVR
- 0.10% bonus interest rate above carded Term Deposit rates
- \$0 Establishment Fee, \$0 Annual Package Fee, external fees apply

***Home Owners Package Benefit - Term Deposit - Description of product, including key attributes***

This is a **Fixed Term Deposit** Account and the key features of this product are:

- 0.10% above the carded interest rate
- minimum deposit \$500
- minimum term 1 month
- no account keeping fee
- interest calculated daily and paid either monthly, quarterly, 6 monthly, annually or at maturity – interest reductions apply for more frequent interest

	<p>payments</p> <p><b>Description of likely objectives, financial situation and needs of consumers in the target market</b></p> <p>This product is designed for customers who:</p> <ul style="list-style-type: none"> <li>• seek to purchase a residential property, access equity in a residential property or refinance an existing credit facility</li> <li>• will have the financial capacity to pay fees, interest and depending on the product option, repayments of principal as and when such amounts become payable and due</li> <li>• the property must be used for investment purposes</li> <li>• want a fixed rate for an introductory period</li> <li>• are able to meet the standard credit assessment criteria</li> <li>• are over 18 years of age</li> </ul>						
<p><b>Review Triggers</b></p>	<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> </ul> <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><b>Review Periods</b></p>	<p><b>First review date:</b> 1 December 2021</p> <p><b>Periodic reviews:</b> We will review this TMD after 3 months of release and then every year after the initial and each subsequent review</p>						
<p><b>Distribution Information Reporting Requirements</b></p>	<p>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:</p> <table border="1" data-bbox="416 1733 1410 2056"> <thead> <tr> <th data-bbox="416 1733 783 1787">Type of information</th> <th data-bbox="783 1733 1098 1787">Description</th> <th data-bbox="1098 1733 1410 1787">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 1787 783 2056">Significant dealing(s)</td> <td data-bbox="783 1787 1098 2056">Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</td> <td data-bbox="1098 1787 1410 2056">As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> </tbody> </table>	Type of information	Description	Reporting period	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
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	Complaints	Number of complaints	Every 3 months