

Target Market Determination (TMD)

Personal Loan

Product	<p>Fixed Rate Personal Loans:</p> <ul style="list-style-type: none"> Better Fixed Car Loan Personal Loan
Issuer	Police Credit Union Ltd ABN 30 087 651 205 AFSL/Australian Credit Licence 238991
Effective Date	4 October 2021
Last Review Date	14 March 2024
Target Market	<p><i>Description of target market</i></p> <p>Customers who are looking to obtain credit with the certainty of a fixed interest rate for up to a 5-year term for purchasing or refinancing a new or used car, motorcycle, boat, caravan, trailer or any registrable vehicle or for any other personal, domestic or household purpose, including but not limited to, a renovation or holiday.</p> <p><i>Key product attributes</i></p> <ul style="list-style-type: none"> Fixed interest rate, determined by the amount to be borrowed, Minimum loan amount \$5,000, Lower interest rates for new loans amounts >\$20,000, Principal and interest repayments, Choice of weekly, fortnightly or monthly repayments, Ability to make additional repayments without penalty, Maximum loan term five (5) years, and Redraw available. <p><i>Fees payable</i></p> <ul style="list-style-type: none"> Standard establishment fees and fees charged for specific events (refer to personal credit fees and charges document). No ongoing monthly or annual fees.

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

This product is designed for customers who have the following:

- **Likely objectives:** To obtain credit with a fixed rate of interest (giving the customer security of knowing the set amount of repayments for the life of the loan) which allows the customer to make additional repayments at any time without penalty and the flexibility to redraw funds as required.
- **Likely financial situation:** Meet Police Credit Union's lending criteria including having regular income and stable employment, are an Australian permanent resident, have an acceptable credit history.
- **Likely needs:** Need funds to purchase or refinance a new or used car, motorcycle, boat, caravan, trailer or other registrable vehicle or for any other personal, domestic or household purpose, including but not limited to, a renovation or holiday.

Consumers for whom the product is clearly unsuitable

- Customers who want to borrow less than \$5,000,
- Customers who are under the age of 18, are not an Australian resident or do not have an acceptable credit history,
- Customers who do not meet lending criteria, and
- Customers who do not have any surplus income after meeting their existing financial commitments.

Distribution Conditions and Restrictions

Distribution conditions

Distribution Channels: The Fixed Rate Personal Loan is only distributed by Police Credit Union and is not available through any third-party distributors.

The Fixed Rate Personal Loan product is available to customers by:

- Applying online through policecu.com.au,
- Calling the Contact Centre on 1300 131 844,
- Visiting any Police Credit Union branch, or
- Requesting a work site visit from a Relationship Manager/Branch Manager.

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Process: The Fixed Rate Personal Loan is only offered by Police Credit Union staff who have been accredited and trained to offer the product. Police Credit Union will make relevant enquiries about prospective customers to assess and review all applications for the product. This will ensure that only customers within the target market will acquire the product and that the product will meet the objectives, financial situation and needs of the customer.

Customers considering the Fixed Rate Personal Loan must meet the lending criteria for the loan which includes:

- Employment and income criteria,
- Ability to make minimum loan repayments with surplus income after taking into consideration all current debts and living expenses, and
- An acceptable credit file.

The Fixed Rate Personal Loan is actively promoted to customers through:

- Media campaigns which include but are not limited to statements, press, TV, website, digital, radio and social media channels, and
- Promotion by Police Credit Union staff and through advertising collateral available at Police Credit Union branches.

Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate and would trigger a review of the TMD by Police Credit Union are:

- A significant dealing of the product to consumers outside the target market occurs.
- Material changes to the product or the terms and conditions of the product such as changes to:
 - fees or rates of interest and/or the way in which these are incurred,
 - other product attributes such as the ability to make extra repayments without penalty or redraw.
- Material change in law, relevant industry codes or regulatory guidance that impacts the product.
- An Australian Financial Complaints Authority (AFCA) determination, court decision or enforcement activity which suggests that the product does not meet the target market's objectives or needs.
- A material increase beyond expected levels in complaints, or a material change in the nature of complaints or disputes relating to the product.

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- Any other event occurs, or information is received that reasonably suggests the target market is no longer appropriate such as:
 - High numbers beyond expected levels of account closures or consumers switching to other products and incurring Early Repayment Fees,
 - High rates of default beyond expected levels,
 - High hardship rates beyond expected levels, and
 - Change to eligibility criteria.

Review Periods

Initial review date: No later than 12 months from the date the first determination is made.

Periodic reviews: Every one year after the initial and each subsequent review.