

# Target Market Determination (TMD)

## Home Loans

### Product

GO SiXTY PLUS Loans:

- Home Care Services Loan (Variable or Fixed)
- Bridge to Retirement Loan
- Lifestyle 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

#### ***Description of target market***

GO SiXTY PLUS Loans are for customers aged 60 or over who are seeking financial support to move into a retirement village or obtain credit to support their retirement plan or needs during retirement. GO SiXTY PLUS Loans are customisable products with different options which will appeal to different groups within the target market. The different options and the specific needs they seek to address in the target market include:

- **Bridge to Retirement:** people looking to obtain bridging finance which is secured against an existing property and allows the customer to transition into a smaller property, retirement village or to pay for entry into an aged care facility.
- **Home Care Services Loan:** people looking for finance that will help them remain in their own home for as long as possible, with the support of service providers. This secured loan has a fixed interest period of three (3) years, reverting to the Discount Variable interest rate current at time of maturity.
- **Lifestyle Personal Loan:** people who currently reside in an approved retirement village and wish to access equity secured against their "licence to occupy" for a personal, domestic or household purpose such as purchasing a new or replacement vehicle or paying for lifestyle, medical or aspirational needs (excluding debt consolidation).

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### ***Key product attributes***

- Variable interest rates, fixed interest rate available for Home Care Services Loan.
- No minimum loan amount.
- Repayments principal and interest.
- Interest only repayments available for Bridge to Retirement loan.
- Choice of weekly, fortnightly, or monthly repayments.
- Minimum deposit/equity of 25% for Bridge to Retirement Loan. Maximum loan term up to one (1) year.
- Minimum deposit/equity of 20% for Home Care Services Loan, Maximum loan term to average life expectancy. Maximum \$20,000 balance in the Offset Account for the life of the loan.
- Maximum loan term of five (5) years for Lifestyle Personal Loan.
- Additional repayment options subject to Offset Account limits.

### ***Fees payable***

- Standard establishment and fees charged for specific events, for example Fixed Rate Break fee and Default fees.
- No ongoing monthly or annual fees.

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

These products are designed for customers who have the following:

- **Likely objectives:** the different choice options mean that these products suit a wide range of objectives including variable or fixed interest rate options, no minimum loan amount, repayments of principal and interest or interest only repayments, repayment choices and different loan terms.
- **Likely financial situation:** meet Police Credit Union's lending criteria including having regular income and are an Australian permanent resident and have an acceptable credit history.
- **Likely needs:** needs funds to transition into a retirement village or obtain credit to support their retirement plan or needs during retirement, such as obtaining funds for service providers to help them remain in their home for as long as possible or for personal, domestic or household purchases such as a new or replacement vehicle or paying for lifestyle, medical or aspirational needs.

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### Distribution Conditions and Restrictions

#### ***Consumers for whom the product is clearly unsuitable***

- Customers who do not have the minimum deposit/equity,
- Customers who are under the age of 60, are not an Australian permanent resident, and 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***

**Distribution Channels:** GO SIXTY PLUS Loans are only distributed by Police Credit Union and not available through any third-party distributors, including mortgage brokers.

GO SIXTY PLUS Loan products are available to customers by:

- Emailing Police Credit Union at [gosixtyplus@policecu.com.au](mailto:gosixtyplus@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.

**Process:** The GO SIXTY PLUS Loan will only be 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 a GO SIXTY PLUS Loan must meet the lending criteria for the loan which includes:

- Aged 60 or over,
- Have access to the minimum equity/security requirements,
- Ability to make minimum loan repayments with surplus income after taking into consideration all current debts and living expenses, and
- An acceptable credit file.

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GO SIXTY PLUS Loans are 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, utilise an offset account 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.
- 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,
  - 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.