

# Target Market Determination (TMD)

## Personal Loan

### Product

Variable Rate Personal Loans:

- Low Rate Car Loan
- Better Variable Car loan
- Solar Eco 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***

Customers who are looking to purchase or refinance a new or used car, motorcycle, boat, caravan, trailer or registrable vehicle or purchase and install solar energy products such as solar photovoltaic (P.V.) panels, home battery systems or solar water heaters and want the flexibility of being able make additional repayments and redraw funds as required.

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

- Variable interest rate,
- Minimum loan amount \$5,000 special offer loans may have higher minimum borrowing amounts,
- Lower rates for new loan amounts >\$20,000,
- Principal and interest repayments,
- Choice of weekly, fortnightly or monthly repayments,
- Ability to make additional repayments without penalty,
- Maximum loan term 7 years, and
- Redraw available.

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### ***Fees payable***

- Standard establishment fees and fees charged for specific events for example Default fees and Top-up fees,
- No ongoing monthly or annual fees, and
- No early repayment or break fees.

### ***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 that has a variable interest rate which allows the customer to make additional repayments at any time without penalty, with no ongoing monthly or annual fees and includes a redraw facility.
- **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 and install solar energy products, purchase or refinance a new or used car, motorcycle, boat, caravan, trailer or other registrable vehicle.

### ***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 permanent 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***

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

A Variable Rate Personal Loan product is available to customers by:

- Applying online through [policecu.com.au](http://policecu.com.au),
- Calling the Contact Centre on 1300 131 844,

### **Distribution Conditions and Restrictions**

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- Visiting any Police Credit Union branch, or
- Requesting a work site visit from a Relationship Manager/Branch Manager.

**Process:** The Variable 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 Variable 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 Variable Rate Personal Loan is actively promoted to customers through:

- Media campaigns which include but 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.

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- 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.