

Macquarie Credit Union

Target Market Determination – Housing Loans

Product	Construction Loan
Issuer	Macquarie Credit Union Limited ABN 85 087 650 253 AFSL 241132 Australian Credit Licence 241132
Date of TMD	5 October 2021
Target Market	<p><i>Description of target market</i></p> <p>Retail clients who:</p> <ul style="list-style-type: none"> • seeking a loan to build or renovate an owner occupied or investment property • are aged 18 years or more and meet the credit assessment criteria for the product • are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan • need the flexibility to make additional or lump sum repayments • need the facility to make repayments weekly, fortnightly or monthly • need the facility to redraw advance repayments once the loan is fully drawn down • need the facility to offset the balance of a transaction or savings account against the balance of the loan • may need an option of a partial split with a fixed interest rate once the loan is fully drawn down • may need the ability to pause repayments <p><i>Description of product, including key attributes</i></p> <p>This is a variable rate or combination fixed/variable rate home loan secured over real property and the key attributes are:</p> <ul style="list-style-type: none"> • minimum loan amount \$10,000 • loan terms of up to 30 years • interest only repayments until the loan is fully drawn down then reverting to principal and interest reducing • repayment frequency can be weekly, fortnightly or monthly • the ability to make additional repayments without penalty once the loan is fully drawn down • online redraw facility. There is one free redraw per month and a \$20 fee for subsequent and staff assisted redraws • the loan can be split with fixed and variable interest rates once construction is finalised and the loan is fully drawn down • offset the balance of a savings account against the balance of the loan

	<ul style="list-style-type: none"> • must provide a registered first mortgage over real property or other acceptable security • family guarantee option • no monthly account keeping fees • \$250 establishment fee • valuation fees are at cost • legal fees at cost
<p>Appropriateness Statement</p>	<p>Macquarie Credit Union has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.</p>
<p>Distribution Conditions</p>	<p><i>Macquarie Credit Union is the sole issuer and distributor of this product.</i></p> <p>This product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> • Macquarie Credit Union branch • Macquarie Credit Union website • Macquarie Credit Union mobile app • By phoning Macquarie Credit Union <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 our branch and over the phone is conducted 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 target market determination is no longer appropriate include:</p> <ul style="list-style-type: none"> • a significant dealing of the product to consumers 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 target market determination is no longer appropriate • a material change to the product or the terms and conditions of the product occurs which would cause the target market determination to no longer be appropriate • changes to the regulatory or legislative environment for this product • economic and market conditions

<p>Review Periods</p>	<p>First review date: 5 October 2022</p> <p>Periodic reviews: Every 12 months from the initial review and each subsequent review.</p> <p>At any other time: The Credit Union will review the target market determination/product at any other time it deems appropriate or necessary.</p> <p>The review periods are maximum periods and the target market determination can be reviewed either as the result of a trigger or at any other time determined by the Credit Union.</p>												
<p>Distribution Reporting Requirement</p>	<p>Macquarie Credit Union are the issuer and sole distributor of this product. Reporting period for this determination is every 12 months commencing from the start date.</p> <table border="1" data-bbox="587 824 1340 1541"> <thead> <tr> <th>Type of information</th> <th>Description</th> <th>Reporting period</th> </tr> </thead> <tbody> <tr> <td>Significant dealing(s)</td> <td>If Macquarie Credit Union becomes aware of a significant dealing in the product that is not consistent with the target market determination</td> <td>As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td>Complaints</td> <td>Number of complaints</td> <td>Every 12 months</td> </tr> <tr> <td>Sales outside the target market</td> <td>The number and dollar value of sales</td> <td>Every 12 months</td> </tr> </tbody> </table>	Type of information	Description	Reporting period	Significant dealing(s)	If Macquarie Credit Union becomes aware of a significant dealing in the product that is not consistent with the target market determination	As soon as practicable, and in any case within 10 business days after becoming aware	Complaints	Number of complaints	Every 12 months	Sales outside the target market	The number and dollar value of sales	Every 12 months
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