



Target Market Determination (TMD)

All-In-One Line of Credit - Owner Occupier

Line of Credit - Owner Occupier

Effective date: 28/07/2023

Product: 537

Key Product Attributes

- Interest rate type: Variable rate.
- Minimum loan amount: \$20,000.00
- Maximum loan amount: \$5,000,000.00
- Loan term: No set term.
- Fees payable: There are no upfront bank fees payable for the establishment of the loan. Details of other possible fees and charges that may become applicable during the course of the loan are available upon request.
- Fees not payable: Establishment fee, monthly fee, annual fee or limit fee.
- Repayment type: Repayments required to keep the balance under the limit.
- Repayment frequency: As required to keep the balance under limit.
- Features: Easy access to funds via Visa Debit card, mobile and online banking. Interest only charged on the outstanding balance.
- Security: Required - property used for predominantly residential purposes.
- LVR: Up to 80% LVR (Lenders Mortgagee Insurance may be required where applicable and as determined by BCU).

Target Market

Members who wish to use the equity in their owner occupied property to access an ongoing and flexible source of credit with no minimum repayment required provided the balance stays below the limit.

This product is designed for members who:

- Are the age of 18 years old or older and meet the bank's credit assessment requirements.
- Need ongoing and flexible access to funds for personal purposes including renovations, holidays or lifestyle purposes.
- Want the flexibility of no set repayments to better manage cashflow and to only pay interest on the amount drawn, not the full balance.

This product is not suitable for members who:

- Do not meet the eligibility requirements including loan purpose, the ability to service the financial obligations of the loan, or their financial needs would not be met by taking out this product.
- Want a lump sum of funds to be paid down over time.

Likely Objectives, Needs and Financial Situation

- Members seeking to access equity from residential owner occupied property for purchasing, refinancing or renovating for owner occupied purposes.
- Require a variable interest rate line of credit (and associated features) to help finance the objective.
- Able to provide an adequate deposit and have a regular income to support the loan repayments.

Distribution of this Product

This product is designed to be distributed by:

- Visiting a BCU Bank branch in person, calling the BCU Bank Contact Centre on 1300 228 228, via the BCU Bank website at bcu.com.au or through an accredited Mortgage Broker or a BCU Bank accredited Mobile Lender.

- Product and rate comparison websites.

This product will only be distributed by the appropriately trained and authorised BCU Bank representatives. These representatives will apply distribution conditions which include ensuring that members fall within the TMD, meet the eligibility and servicing requirements for the loan and that the product is not unsuitable for their needs.

Distributors Obligations

The following information must be provided to BCU Bank (Police & Nurses Limited) by distributors who engage in retail product distribution conduct in relation to this product:

Accredited BCU Bank staff who are required to

- follow an approved conversation framework and direct members towards the most suitable product to meet their objectives, needs and financial requirements.
- understand and be able to discuss the features, benefits, rates, and any applicable fees associated with the selected product and the key differences between lending products.
- provide details of any application for this product that may be considered inconsistent with this TMD. Police & Nurses Limited, Products department and Assessors must be notified as soon as practical and within **10 business days** of staff becoming aware of any inconsistencies in the sale of this product with this TMD. Failure to provide details of dealings considered inconsistent with this TMD may lead to this product being removed from sale.

Applications and discussions are monitored through controls such as sample call monitoring and application reviews to identify errors and ensure compliance with BCU Bank's distribution processes.

Online Channels (BCU Bank website; rate and comparison websites)

- the BCU Bank website provides members with information and tools about this product, including the interest rates, any applicable fees or charges, and repayment calculators as well as a summary of the key features and benefits of the product.
- enquiries lodged via the BCU Bank website may be directed to accredited BCU Bank staff.
- Rate and comparison websites provide members with an overview of rates and products available. Members may select a series of click through links that will direct them to BCU Bank's website where they can request a call from one of our accredited staff.

Accredited aggregators and brokers

If BCU Bank permits this product to be distributed through approved aggregators and their authorised brokers, who have been fully approved by BCU Bank, BCU Bank also requires that aggregators responsible for third party brokers involved in the distribution of this product:

- comply with the agreement in place with BCU Bank and must ensure compliance by their authorised brokers with:
 - BCU Bank mortgage broking requirements; and
 - their legal obligation to act in the best interest of their client when providing assistance.
- provide information relating to complaints, including the number of complaints, third party name and verbatim details of the complaint and their significance, on a quarterly basis in a format acceptable to BCU Bank.
- report any significant dealings with this product that may be considered inconsistent with this TMD. BCU Bank must be notified as soon as practical and within **10 business days** of becoming aware of any inconsistencies. Failure to provide details of dealings considered inconsistent with this TMD may lead to this product being withdrawn from sale by BCU Bank.
- provide any other information reasonably requested by the issuer.

Distribution appropriateness

These distribution conditions are designed to ensure that all channels submit detailed applications that capture and record the members objectives, needs and financial situation through the sales process and lead to the recommendation of this product as the most suitable for members according to the key attributes of the product listed and described in this determination.

These obligations are also considered appropriate as the target market is wide and the issuer has distributed this product using these methods, with limited risk to members.

Reviewing this document

This TMD will be reviewed within 1 year from the effective date and every 1 year after the initial review and each subsequent review to ensure it remains appropriate.

We will also review this document should any review triggers occur that would reasonably suggest that the TMD is no longer appropriate. The occurrence of any one of the following trigger events will result in an immediate review of this TMD:

- a dealing of the product to members, made through any distribution channel, that is not consistent with this target market determination occurs and results in a significant material impact to a member or material impact to numerous members.
- material changes to the product, or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate.
- material changes to the regulatory environment.

A quarterly review will be conducted of the following trigger events to determine if the account performance, usage, or complaint information indicates that a review of this TMD is required.

These triggers include:

- a material and/or unexpected increase in the volume, nature and/or significance of complaints is received in any quarter from members in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate.
- changes to the overall product performance, as determined by the issuer, that suggests that the product is no longer appropriate to the target market, including but not limited to:
 - an increase in the number of defaults;
 - an unexpected change in the sales volumes in any or all of the distribution channels;
 - a material change in the volumes of product refinances or product switches; or
 - an unexpected increase in associated fee income.
- feedback received from any of the distribution channels for this product.