



# Target Market Determination (TMD) Personal Lending

<b>Product</b>	Personal Loan & Personal Overdraft
<b>Issuer</b>	Goulburn Murray Credit Union Co-operative Ltd ABN 87 087 651 509 AFSL 241364
<b>Date of TMD</b>	31/10/2024
<b>Target Market</b>	<p><b><i>Description of target market</i></b></p> <p>Personal Loan &amp; Personal Overdraft– are available to borrowers who apply and meet gmcu credit criteria and use the funds for non-business purposes.</p> <p>Personal loan is designed for the class of customers who are eligible borrowers, who are looking for choice of secured or unsecured personal loans at a fixed interest rate.</p> <p>For <u>Secured personal loans</u>, the target market includes: borrowers who are looking to offer security against their borrowings and take advantage of a lower fixed interest rate and fixed repayments for the term of the loan.</p> <p>For <u>Unsecured personal loans</u>, the target market includes: borrowers who are looking to borrow funds for personal purposes without offering security, potentially allowing more scope for the borrowing purpose, and because of being unsecured will pay a higher fixed interest rate.</p> <p>For <u>Personal overdraft</u>, the target market includes: borrowers who require additional funds when their savings are exhausted. Borrowers who require added protection on their account to facilitate over-drawing.</p> <p><b><i>Description of product, including key attributes</i></b></p> <p><u>Personal Loan</u> – is a loan that can be secured or unsecured with the following key attributes;</p> <ul style="list-style-type: none"><li>• Choice of secured or unsecured with a fixed interest rate.</li><li>• Maximum loan term of 7 years depending on purpose and approval.</li><li>• Repayment of principal and interest.</li><li>• Repayment frequency at least monthly.</li><li>• Redraw.</li><li>• No early repayment fees.</li></ul> <p>Establishment fee, default fee and security fees apply. Redraw fees may apply. Interest is calculated daily and charged monthly.</p> <p><u>Personal overdraft</u> – is a personal line of credit with the following key attributes;</p> <ul style="list-style-type: none"><li>• Choice of secured or unsecured with a variable interest rate.</li><li>• Reviewed annually.</li><li>• Minimum monthly deposits of 5% of the limit.</li></ul> <p>Establishment fee, default fee and security fees apply. Interest is calculated daily and charged monthly.</p> <p><b><i>Description of likely objectives, financial situation and needs of consumers in the target market</i></b></p> <p>This product is designed for borrowers who are:</p> <p>For <u>Secured personal loans</u>:</p> <ul style="list-style-type: none"><li>• <u>Likely objectives</u>: seeking the certainty of a lower fixed interest rate; seeking the certainty of fixed repayments over the term of the loan. Seeking flexibility to</li></ul>



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	<p>make extra repayments and access redraw when requirements are met.</p> <ul style="list-style-type: none"><li>• <u>Likely financial situation</u>: meet gmcu's credit assessment requirements; regular income.</li><li>• <u>Likely needs</u>: need funds to purchase or refinance for personal purposes.</li></ul> <p>For <u>Unsecured personal loans</u></p> <ul style="list-style-type: none"><li>• <u>Likely objectives</u>: seeking the certainty of a fixed interest rate, seeking the certainty of fixed repayments over the term of the loan. Seeking flexibility to make extra repayments and access redraw requirements when requirements are met. Customers do not offer security against their borrowings.</li><li>• <u>Likely financial situation</u>: meet the gmcu's credit assessment requirements, regular income.</li><li>• <u>Likely needs</u> requires funds to purchase or refinance for personal purposes.</li></ul> <p>For <u>Overdrafts</u>:</p> <ul style="list-style-type: none"><li>• <u>Likely objectives</u>: seeking flexibility and ability to access additional funds on a transaction account as required. Ability to access extra funds to an approved limit.</li><li>• <u>Likely financial situation</u>: meet the gmcu's credit assessment requirements; regular income.</li><li>• <u>Likely needs</u> requires access to additional funds.</li></ul> <p><b><i>Classes of consumers for whom the product is clearly unsuitable</i></b></p> <p>Consumers who do not meet the eligibility requirements.</p> <p><b><i>Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market</i></b></p> <p>These products are easy to use, flexible and not complex, the product's applicability to a wide range of potential financial situations and life stages.</p> <p>For <u>secured personal loans</u> the product is consistent with the needs and objectives of customers who are seeking a lower fixed interest rate by providing security, which provides certainty of fixed repayments over the term of the loan. Extra repayments can be made without cost and redraw of these additional repayments is available.</p> <p>For <u>unsecured personal loans</u> the product is consistent with the needs and objectives of customers who may not or do not wish to provide security and seek a fixed interest rate, which provides certainty of fixed repayments over the term of the loan. Extra repayments can be made without cost and redraw of these additional repayments is available.</p> <p>For <u>Personal overdraft</u> the product is consistent with the needs and objectives of customers who wish to have access to additional funds at a pre-approved limit. These additional funds can be accessed when the customer savings are exhausted, and at the customer's convenience.</p>
<b>Distribution Conditions</b>	<p><b><i>Distribution conditions</i></b></p> <p>This product may be distributed in branch or online and is assessed by appropriate authorised bankers.</p> <p><b><i>Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market</i></b></p> <p>Bankers will ensure that customers meet the eligibility requirements for the facility.</p>



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<b>Review Triggers</b>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to consumers outside the target market occurs;</li> <li>• A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate.</li> <li>• A material changes to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate.</li> <li>• Material changes to regulatory environment.</li> <li>• High rates of default.</li> <li>• High hardship rates.</li> <li>• High numbers of consumers switching to other products.</li> </ul>		
<b>Distribution Reporting Requirements</b>	<p>The following information must be provided to gmcu by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	<b>Type of information</b>	<b>Description</b>	<b>Reporting period</b>
	Complaints	Number of complaints	Monthly to gmcu
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
<b>Review Periods</b>	<p><b>First review date:</b> within twelve months.</p> <p><b>Periodic reviews:</b> at least every three years after the initial and each subsequent review.</p>		