

Date of Issue: 01 December 2024

Date of Next Review: 01 December 2025

Purpose of this document

SCCU is legally required to prepare this Target Market Determination (TMD). The TMD details the cohort of customers the product has been designed for, the conditions under which the product must be distributed and how SCCU will review this document to ensure it remains appropriate. This document is not a substitute for the product's terms and conditions or other disclosure documents.

Target Market

SCCU has identified the target market for the Business Variable Rate Loan and the key attributes of the product that meet the needs, objectives, and financial situation of customers in the target market as follows:

Business Variable Rate Loan has been designed for customers who:	Key attributes of Business Variable Rate Loan that make the product appropriate for the target market:
Require a business loan with a range of features including repayments that can vary over the life of the loan (loan terms up to 30 years).	This business loan has a variable interest rate which means that repayments will vary over the life of the loan based on changes to the interest rate.
Require a business loan for any of the following purposes: <ul style="list-style-type: none"> • Buying a business; • Growing an existing business; • Starting a new business. 	The loan amount can be used for any of the listed purposes.
Ability to make unlimited payments over the required monthly repayment amount.	Extra repayments, including the ability to pay out the loan early, can be made without additional charge.
Ability to move between principal and interest and interest only repayments.	Subject to approval, customers may switch between principal and interest and interest only repayment options (conditions apply).
Access to a redraw facility.	The redraw facility allows customers to access any additional repayments made over and above the minimum required repayments.

Financial Situation

The Financial Situation of the Target Market are customers that:

- Meet SCCU's credit assessment criteria which includes demonstrating the capacity to make the required repayments without substantial hardship; and
- Can chose a loan amount over \$50,000.

SCCU holds the view that having its processes in place, including assessing the customer's ability to meet required loan repayments, will mean that the product will likely be consistent with the Financial Situation of the Target Market.

Eligibility Criteria

To hold this product customers will need to satisfy eligibility criteria, including that the customer must:

- Be a sole trader, partnership or company;
- Be registered in Australia and have an Australian residential address;
- Meet SCCU credit assessment criteria which includes demonstrating the capacity to make required repayments on the loan without substantial hardship;
- Provide sufficient security in accordance with SCCU's credit assessment criteria, including; acceptable residential or commercial mortgage or a guarantor who supports the loan by providing additional security; and
- Have building insurance with SCCU noted as an interested party to a minimum amount equal to the building value.

Distribution Conditions

SCCU applies the following conditions and restrictions on distribution of Business Variable Rate Loan so that the product is likely provided to customers in the Target Market. All customers must satisfy SCCU's credit assessment criteria which demonstrates the customer's capacity to service the loan facility. The below table identified the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. SCCU views that the conditions specified are appropriate and it will be likely that the product will be distributed to the Target Market.

Distribution Channels	Conditions that make product distribution through the channel appropriate
Staff Assisted Channels (e.g. Financial Service Centres, Contact Centres, SCCU Lending Specialists); and	SCCU staff that distribute this product: <ul style="list-style-type: none"> • Are appropriately trained to understand and are able to discuss the features, benefits, rates, fees and charges of the product and key differences between products; • Must follow procedures that outline application eligibility and processes; • Are monitored through assurance programs.
Online Channels (e.g. SCCU Website)	SCCU's online channels provide customers with access to: <ul style="list-style-type: none"> • Comparison information amongst products within the same class that assist customers in selecting the right product; and • Information about the products including key benefits, rates and fees, in an easy to navigate format. Applications commenced through an online channel will be directed through to a staff assisted channel.

<p>Third Parties</p>	<p>SCCU only permits third parties to distribute this product where there is a legal agreement in place and their accredited brokers have been approved by SCCU. We also require that:</p> <ul style="list-style-type: none"> • Credit Licencee's responsible for third party brokers involved in the distribution of the product comply with their agreement in place with SCCU; • Third party brokers meet SCCU accreditation requirements which include holding appropriate authorisations to engage in credit activity and relevant industry memberships. <p>If third party distributors fail to comply with the above requirements it may result in termination of their authority to distribute this product.</p>
----------------------	---

Periodic Reviews of the TMD

The TMD will be reviewed each one-year period.

Review Triggers

If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, SCCU will undertake a review of this TMD:

- A significant number of complaints received from customers in relation their acquisition of, or use of, the product that reasonably suggests that the TMD is no longer appropriate;
- A material change to the product or terms and conditions of the product occurs which would cause the TMD to no longer be appropriate;
- Any significant dealing of the product to customers who are outside the Target Market.

Review Trigger Reporting Requirements

The following information must be provided to SCCU by all third parties responsible for the retail distribution product distribution conduct of this product in accordance with this TMD, within the required timeframes:

Information Type	Description	Timeframe for Reporting
Product Complaints Data.	Information relating to complaints received.	Quarterly and within 10 business days from the end of the quarter.
Significant Dealings.	Instances where there is an issue with distributor conduct.	As soon as practicable, and in any event within 10 days of becoming aware.

Product Issued by Southern Cross Credit Union Limited trading as Southern Cross Credit Union ABN 82 087 650 682 | AFSL Australian Credit 241000 Licence This document is not intended to provide financial advice, nor does it form part of the terms and conditions of the product. Customers must refer to account and access facilities conditions of use and any relevant supplementary documents which outline terms and conditions of the product.