

Target Market Determination – Housing Loans

TDML2 V.1

Product	L2 Basic Home Loan - Owner Occupied
Issuer	Orange Credit Union T/A Bank Orange ABN 34 087 650 477 AFSL & Australian Credit License 240768
Date of TMD	1 August 2024
Target Market	<p>Description of target market</p> <p>Owner Occupiers</p> <p>Retail customers who:</p> <ul style="list-style-type: none"> • Are seeking a loan to: <ul style="list-style-type: none"> ○ Purchase or renovate a home, ○ Build a new home, ○ Purchase land with plans of building a new home, ○ Refinance an existing home loan ○ Require funds for a variety of reasons and own a residential property which they are able to use as security for this loan; or ○ Top up an existing loan for any worthwhile purpose. • Are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan, • Are aged 18 years or more and meet the credit assessment criteria for the product; and • Are seeking a loan priced according to LVR percentages: <ul style="list-style-type: none"> ○ Differing interest rate for loans with LVR at approval: <ul style="list-style-type: none"> ▪ LVR <60% ▪ LVR 60.01% ≤ 80% ▪ LVR > 80% • Is currently or wishes to become a member of Bank Orange. <p>Variable Rate Loans</p> <ul style="list-style-type: none"> • Need the flexibility to make additional repayments, • Ability to make additional repayments, • Need the facility to redraw advance repayments, <p>Interest Only Loans</p> <ul style="list-style-type: none"> • Need an interest only period <p>Principal & Interest Reducing</p> <ul style="list-style-type: none"> • Need to make regular repayments of interest and principal over the term of the loan, • The ability to minimise interest paid over the life of the loan, <p>Description of product, including key attributes</p> <p>This is a standard loan secured over real property.</p> <p>The key attributes are:</p>

	<ul style="list-style-type: none"> • Loan term up to 30 years (subject to age of borrower) • Minimum Loan Amount of \$100,000 • Borrow up to 80% of the property without Lenders Mortgage Insurance premium • Borrow up to 95% of the property value plus Lenders Mortgage Insurance premium • Interest only/principal and interest reducing/combinations, • Repayment frequency monthly (weekly/fortnightly payments are allowed) • Interest only option available for up to 5 years - a margin of 0.10% applies, • Progressive drawdown available • Must provide a registered first mortgage over real property or other acceptable security, • Included in fee rebate • No monthly loan fees • Establishment fee applicable • Discharge fee applicable on discharge of mortgage • Existing Bank Orange home loan customers cannot switch into this product from an existing home loan product • Refer to Fee Schedule for fee amounts • Direct credits, periodical payments, payroll allocations or online deposits, • Customers must satisfy conditions for certain features (e.g. interest-only repayments).
Distribution Conditions	<p><i>Distribution conditions</i></p> <p>This product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> • Branches • Call centre • Online <p>Distribution conditions for this product include:</p> <ul style="list-style-type: none"> • Ensuring that clients meet the eligibility conditions for the product • Ensuring that distribution through branches, call centre and online is by appropriately authorised and trained staff <p>There are no other distributors for this product.</p>
Review Triggers	<p>The review triggers that would reasonably suggest that the TMD 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 TMD is no longer appropriate; • A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate; • The receipt of a product intervention power order from ASIC requiring OCU to immediately cease retail product distribution conduct in respect of the product; • If the Australian Financial Complaints Authority (AFCA) or a Court raise concerns about the product's design or distribution; • If the product's design or distribution receives adverse media coverage. <p>The <i>Product Governance Framework</i> includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG274.</p>
Review Periods	<p><i>First review date: 1 September 2024</i></p>

	<p>Next review date: 1 September 2026</p> <p>Periodic reviews: Every 2 years after first review date</p>		
<p>Distribution Information Reporting Requirements</p>	<p>The following information must be provided to Orange Credit Union by distributors who engage in retail product distribution conduct in relation to this product:</p>		
	<p>Type of information</p>	<p>Description</p>	<p>Reporting period</p>
	<p>Complaints</p>	<p>Number of complaints</p>	<p>Every month</p>
	<p>Significant dealing(s)</p>	<p>Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</p>	<p>As soon as practicable, and in any case within 10 business days after becoming aware</p>
	<p>Sales outside the target market</p>	<p>Number of sales Dollar value of sales</p>	<p>Every 12 months</p>
<p>Sales inside the target market</p>	<p>Number of sales Dollar value of sales</p>	<p>Every 12 months</p>	