

About this document

The purpose of this Target Market Determination (TMD) document is to provide an understanding of:

- the types of customers the products have been designed for, having regard to their likely needs, objectives and financial situation;
- how the products will be distributed;
- when this document will be reviewed; and
- what information is required to support monitoring the distribution of the products.

This document does not constitute an offer or financial product advice. Customers should consider the relevant product terms and conditions and any other relevant disclosure documents, available on our website, and their own personal circumstances, before making a decision about these products.

People's Choice Basic Variable Loans

Our Basic Variable Loans have been designed to meet the likely needs, objectives and financial situation of home buyers and investors, looking to purchase or refinance an established residential property or to construct or renovate a new home or investment property.

Customers may have already owned real property and obtained a home loan in the past, or may be buying a property and obtaining a home loan for the first time. Customers will therefore have differing levels of knowledge and experience with home loans including, potentially, very little or no such experience.

This Target Market Determination sets out the target markets for our:

- Basic Variable Home Loan
- Basic Variable Investment Loan
- Basic Variable Construction Loan (Owner Occupied)
- Basic Variable Construction Loan (Investment)

Each target market, product description and key attributes are set out separately in the Appendix.

Distribution conditions

These products can be distributed via direct to customer models, such as People's Choice (and certain Heritage Bank) branches, advice centres, contact centres, by those members of our staff who are trained as home loan lenders and via third party distributors accredited as mortgage brokers.

These products can only be provided to customers who qualify for the product in accordance with our application and assessment criteria, and in a way which complies with relevant laws and lending guidelines.

People's Choice Credit Union and Heritage Bank are trading names of Heritage and People's Choice Ltd. ABN 11 087 651 125. Australian Financial Services Licence 244310 and Australian Credit Licence 244310. In this document, People's Choice Credit Union is referred to as People's Choice.

Effective: 29 September 2023
Status: Current

Review

We will review this target market determination in accordance with the table below, to ensure that it remains appropriate.

Initial Review Period:	Within 12 months of the effective date
Ongoing Review Period:	At least every 2 years from the last review
Review triggers or events:	<p>Any of the following events or circumstances occur that reasonably suggests that this TMD is no longer appropriate:</p> <ul style="list-style-type: none"> • material changes to the product term and conditions, and any other supplementary documents, other than changes to interest rates and consequential changes to repayments; • material changes to the distribution conditions, or where the distribution conditions are no longer appropriate; • occurrence of a significant dealing outside the target market; • systemic issue across the product lifecycle; and • significant changes in metrics including, but not limited to, complaints and default rates. <p>We will review the TMD within 10 business days of becoming aware of any of the above events occurring.</p>

Reporting and monitoring

People's Choice will produce and review, at least quarterly, reports in relation to the products detailing sales, arrears, any complaints received, and any occasions where it appears that the products may have been distributed inconsistently with this TMD, to ensure appropriate oversight and monitoring of the distribution of the products.

Our third party distributors are required to provide the following information to People's Choice to allow us to monitor the appropriateness of this TMD;

Complaints Data	Details of any complaints received by the distributor about the products and/or their distribution, on a monthly basis.
Significant dealings	Details of any significant dealing in the products which is not consistent with this TMD, of which the distributor becomes aware – as soon as practicable and at most within 10 business days

Basic Variable Home Loan

This product has been designed for customers who want to finance the acquisition of residential property or to refinance other finance that has been provided for such a purpose, and to mortgage the property by way of security.

This product is suitable for customers who want to:	This product is not suitable for customers who want to:
✓ Purchase or refinance for the purpose of the property being their principal place of residence	✗ Finance buying a property for investment or commercial purposes
✓ Borrow more than \$50,000 for new borrowing, or \$10,000 for top-ups to existing borrowings	✗ Have a fixed rate of interest from the outset
✓ Repay over a term between 1 and 30 years	✗ Borrow more than 95% of the property value
✓ Have a variable rate of interest	✗ Have an offset facility linked to the loan
✓ Purchase or refinance an existing or newly erected residential dwelling	✗ Purchase vacant land to construct a residential dwelling
✓ Make unlimited extra repayments and access these funds via a redraw facility	✗ Pay an annual fee, for additional benefits through the life of the loan
✓ Pay no application fee or monthly ongoing fees	✗ Have interest only repayments

Basic Variable Investment Loan

This product has been designed for customers who want to finance the acquisition of residential property for investment purposes or to refinance other finance that has been provided for such a purpose, and to mortgage the property by way of security.

This product is suitable for customers who want to:	This product is not suitable for customers who want to:
✓ Purchase or refinance a residential investment property	✗ Purchase or refinance for the purpose of the property being their principal place of residence
✓ Borrow more than \$50,000 for new borrowing, or \$10,000 for top-ups to existing borrowings	✗ Finance buying a property for commercial purposes
✓ Repay over a term between 1 and 30 years	✗ Have a fixed rate of interest from the outset
✓ Have a variable rate of interest	✗ Borrow more than 90% of the property value
✓ Select repayment options applicable to their situation, of either principal and interest or interest only	✗ Have an offset facility linked to the loan
✓ Purchase or refinance an existing or newly erected residential dwelling	✗ Purchase vacant land to construct a residential dwelling
✓ Make unlimited extra repayments and access these funds via a redraw facility	✗ Pay an annual fee for additional benefits through the life of the loan
✓ Pay no application fee or monthly ongoing fees	

Basic Variable Construction Loan (Owner Occupied)

This product has been designed for customers who want to finance the acquisition of residential property and the construction or renovation of a residential dwelling, and to mortgage the property by way of security.

This product is suitable for customers who want to:	This product is not suitable for customers who want to:
✓ Build or renovate a residential property for the purpose of it being their principal place of residence	✗ Purchase an existing residential dwelling, or build or renovate an investment property
✓ Borrow more than \$50,000 for new borrowing, or \$10,000 for top-ups to existing borrowings	✗ Finance buying or building a property for commercial purposes
✓ Repay over a term between 1 and 30 years	✗ Have a fixed rate of interest from the outset
✓ Have a variable rate of interest	✗ Borrow more than 95% of the property value
✓ Make unlimited extra repayments and access to these funds via a redraw facility after the construction period ends	✗ Have an offset facility linked to the loan
✓ Pay no monthly ongoing fees	✗ Pay an annual fee for additional benefits through the life of the loan
✓ Have an interest only repayment option during the construction period with a maximum loan term of up to 12 months	✗ Have interest only repayments following the end of the construction period

Basic Variable Construction Loan (Investment)

This product has been designed for customers who want to finance the acquisition of residential property and the construction or renovation of a residential dwelling for investment purposes, and to mortgage the property by way of security.

This product is suitable for customers who want to:	This product is not suitable for customers who want to:
✓ Build or renovate a residential property for the purpose of it being an investment	✗ Purchase an existing residential dwelling, or build or renovate the property with the purpose of it being their principal place of residence
✓ Borrow more than \$50,000 for new borrowing, or \$10,000 for top-ups to existing borrowings	✗ Finance buying or building a property for commercial purposes
✓ Repay over a term between 1 and 30 years	✗ Have a fixed rate of interest from the outset
✓ Have a variable rate of interest	✗ Borrow more than 90% of the property value
✓ Select repayment options applicable to their situation, of either principal and interest or interest only following the end of the construction period	✗ Have an offset facility linked to the loan
✓ Make unlimited extra repayments and access to these funds via a redraw facility after the construction period ends	✗ Pay an annual fee for additional benefits through the life of the loan
✓ Pay no monthly ongoing fees	
✓ Have an interest only repayment option with a maximum loan term of up to 12 months	