

Date of Issue: 01 April 2025

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 Reverse Mortgage Loan and the key attributes of the product that meet the needs, objectives, and financial situation of customers in the Target Market as follows:

Reverse Mortgage Loan has been designed for customers who:	Key attributes of Reverse Mortgage Loan that make the product appropriate for the target market:
Require a loan that enables a release of a portion of the equity in a residential property to assist with managing finances without the need to sell the property.	The loan allows persons aged 70 and over to access part of the equity in their property to live a more comfortable retirement or lifestyle.
Require a loan for any of the following purposes: <ul style="list-style-type: none"> • Renovations; • In home care costs; • Day to day expenses; • Debt consolidation. 	The loan amount can be used for any of the listed purposes.
Do not want to, or cannot afford to, make regular loan repayments.	No monthly repayments required with interest capitalising, and end debt to be repaid upon sale of property or death of last surviving borrower. Should a customer wish to make repayments these will be available as redraw
Require an interest only loan.	The loan is only offered on an interest only basis with interest capitalised.

Financial Situation

The Financial Situation of the Target Market are customers that:

- Meet SCCU's credit assessment criteria for this product;
- Can chose a loan amount between \$20,000 and \$250,000;
- Are able to obtain independent financial and legal advice before entering into this product.

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 an individual aged 70 years and above;
- Be an Australian citizen or permanent resident of Australia;
- Have an Australian residential address;
- Be an existing SCCU customer;
- Meet SCCU credit assessment criteria;
- Have obtained independent financial and legal advice;
- Provide sufficient residential security in accordance with SCCU's credit assessment criteria; 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 Reverse Mortgage 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.

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.