



**Effective as of 1.1.2017.**

**1 DEFINITIONS**

- 1.1 **Home loan** means a consumer loan which the bank grants to a borrower for the purchase of shares in a housing cooperative entitling their holder to possession of a flat or for the purchase of residential property or for the purchase of a residential building that is located in the area managed by virtue of usufruct of the property or for the maintenance of title to any of the above properties. A consumer loan taken out to pay off a housing cooperative loan is regarded as a home loan.
- 1.2 **Mortgage loan** means a consumer loan granted for a purpose other than that mentioned in 1.1 above, in security of which the borrower gives shares in a housing cooperative entitling its holder to possession of an apartment, residential property or usufruct of property.
- 1.3 **Foreign currency loan** means a home loan or a mortgage loan granted in a currency other than the EU or EEA currency where the consumer resides, or in a currency of a country other where the consumer earns his/her income or has assets that he/she uses to repay the loan.
- 1.4 **Loan costs** refer to the total amount of interest, expenses and other charges known to the bank and payable by the borrower owing to his/her obligation to the bank, including any costs of insurance and other additional services related to the loan agreement if obtaining the loan on the marketed terms requires entry into an agreement on the additional service.
- 1.5 **Effective interest rate** refers to an annual interest rate deriving from calculating loan costs in terms of annual interest on the loan amount and taking account of amounts repaid.
- 1.6 **Distance selling** refers to a transaction whereby an agreement on a service is made through telecommunications, with the customer not meeting the bank representative in person. Distance selling excludes any transaction based on an existing online or telephone bank agreement.
- 1.7 **Provision of information in permanent form** refers to providing information on OP eServices or to a written notification.

The bank shall notify its eServices customers of any changes in this loan agreement, its terms and conditions, and the bank's list of service charges and fees as well as other notifications based on this debt relationship by sending the borrower a message on OP eServices.

If the customer has no eServices Agreement with the bank, the bank will send the abovementioned notifications by post to the address reported to the bank or the Population Register Centre.

- 1.8 **Sanctions** refer to a sanction, financial sanction, export or import ban, trade embargo or another restrictive action imposed, administered, approved or executed by the Finnish government, United Nations, European Union, United States of America and United Kingdom or their competent authorities or governing bodies.

**2 PRECONDITIONS FOR DRAWDOWN**

Drawing down the loan requires that

- the borrower has signed the loan agreement;
- the bank has received the agreed collateral when granting the loan, and all pledge and guarantee documents have been duly signed and are in the possession of the bank; and
- any other preconditions for drawing down the loan or part thereof have been fulfilled.

The bank will have the right to reject the drawdown of the loan or part thereof if an event of default under the loan terms and conditions exists, the borrower has filed a petition for debt rescheduling or

financial restructuring with a court, the borrower is subject to sanctions or acts on behalf of a private or legal person subject to sanctions, or a payment default has been registered in the borrower's credit history after the bank granted the loan.

**3 INTEREST RATE**

**3.1 Interest on a floating rate loan**

Interest on a floating rate loan comprises the reference interest rate and a bank's markup.

**3.2 Effect of a change in the reference interest rate on the loan interest rate**

When calculating the home loan interest rate, the reference interest rate must always be at least 0.

**Euribor rate**

The Euribor rate is a euro-area money market reference interest rate whose determination and quotation days are based on the international practice in force from time to time.

The loan interest rate will remain the same throughout the interest determination period. The length of the interest rate determination period is indicated by the name of the reference interest rate.

The first interest rate determination period will begin on the day when the first instalment of the loan is drawn down. The interest rate for the first interest rate determination period appears from the loan draw-down receipt. The next interest rate determination period will begin immediately after the end of the previous interest rate determination period.

The reference interest rate for the loan changes in accordance with the rate on the business day preceding the day when the interest determination period begins. If that day is not a Euribor quotation day, the reference rate used for the loan is the reference rate of the previous quotation day. The loan interest rate will change by as much as the reference rate has changed.

**Base rate**

The base rate is the rate half-yearly confirmed by the Ministry of Finance.

Interest payable on the loan changes by as much as the base rate changes on the day when the change in the base rate enters into force.

**OP-prime rate**

The OP-prime rate is a reference interest rate announced by OP Cooperative which is used to regulate OP Financial Group's borrowing and lending rates. OP Cooperative's Executive Board determines the OP-prime rate, taking account of market interest rate movements and interest rate expectations. More information on the bases for OP-prime rate determination is available at op.fi and from OP Financial Group's member bank branches.

The borrowing rate applicable to the loan changes as much as the OP-prime rate changes on the day when the change in the interest rate enters into force.

**3.3 Fixed interest rate**

Interest on a fixed-rate loan remains the same throughout the loan term or during the period agreed.

**3.4 Information provided on interest and repayments**

If the loan interest rate changes, the bank will afterwards notify the borrower of up-to-date information on interest, the amount of each repayment and the number of repayment instalments in permanent form and at least once a year.



During the contractual relationship, the borrower has the right, upon request, to receive a loan amortisation table in accordance with the Consumer Protection Act.

### 3.5 Cessation or suspension of quotation of the reference interest rate

If quotation of the reference interest rate ceases or is suspended, the reference interest rate applicable to the loan shall be determined in accordance with a statute which is issued on the new reference interest rate or with a decision or instructions issued by the relevant authorities.

If no statute on a new reference interest rate is enacted or no decision or instructions on the reference interest rate are issued by the relevant authorities, the bank and the borrower will agree on a new reference interest rate applied to the loan. Should the bank and the borrower fail to reach agreement on the new reference interest rate before the end of the interest determination period, the reference interest rate applicable to the loan will remain the reference interest rate applied to this loan before the end of the interest determination period.

If the borrower and the bank cannot reach agreement on a new reference rate within six (6) months of the end of the interest rate determination period, the bank shall determine a new reference rate after hearing banking regulators.

### 3.6 Interest days

For loans linked to the Euribor rate, interest is calculated on the basis of actual days, using 360 as the divisor, whereas interest on other loans is calculated on the basis of interest days (30), using 360 as the divisor.

### 3.7 Default interest

If the borrower defaults on loan repayment or payment of interest charges or other charges and fees, he/she must pay annual default interest on the overdue amount from the due date until the date on which the overdue amount arrives at the bank.

The default interest rate is seven (7) percentage points higher than the reference interest rate referred to in the Interest Act. However, default interest is never lower than the interest charged on the loan by the bank.

If the interest charged by the bank prior to the loan maturity is higher than the default interest referred to in the Interest Act, the bank will have the right to charge this interest as default interest for a maximum of 180 days from the date on which the entire loan has matured, but only up to the day on which the relevant court has issued a ruling regarding the loan. Thereafter, the bank will charge default interest under the Interest Act.

### 3.8 Interest on special loans

In case a loan is subject to provisions set forth in a special enactment and a provision concerning interest on the loan changes or an authority decides to change the interest on the basis of said enactment, the bank will have the right to change the interest payable on the loan accordingly. The bank will notify the borrower of a change in the interest rate as specified in Clause 3.4.

## 4 CHANGE IN CHARGES AND FEES

The bank may raise charges and fees for the loan under the loan agreement due to a decision or regulation issued by the relevant authority or to the grounds based on legislative amendment corresponding to the cost change, if the basis for the change applies directly to the loan agreement concerned. Such a raise may not be higher than the actual increase in costs incurred by the lender, owing to which the charge or fee is collected under the loan agreement. It is, however, sufficient that the raise approximately corresponds to increases in actual costs.

The bank's right to the abovementioned raise will expire as soon as its grounds have ceased to exist.

The bank will notify the borrower in permanent form of any changes to charges and fees specified in the loan agreement and their effect  
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on the number of repayments and repayment amounts. Such a change will take effect from the date notified by the bank, but no earlier than one month of the date of sending such notification to the borrower.

If the borrower and the bank agree on any changes to the loan agreement or on other services, the bank has the right to charge a fee for these according to its list of service charges and fees. The list of service charges and fees valid from time to time is available from the bank's branches.

## 5 POSTPONEMENT OF THE REPAYMENT DATE

If the due date is not a business day, the date of repayment of the loan and interest payable on the loan and other loan costs will be postponed until the next business day. In such a case, the bank will charge loan interest, according to the interest determination period preceding the postponement of the repayment date up to the postponement date, on the entire remaining principal of the loan.

Business day refers to any weekday from Monday to Friday excluding Finnish religious holidays, Finland's independence day (6 December), 1 May, Christmas Eve, Midsummer Eve, New Year's Day and any day that is not otherwise regarded as a business day.

## 6 RIGHT OF CANCELLATION

### 6.1 Right of cancellation

The borrower has the right to cancel the loan agreement by informing the bank thereof in permanent form within 14 days of the date when he/she received in permanent form a copy of the loan agreement and its terms and conditions, and also advance information on loans other than home loans in the case of distance selling.

If the borrower cancels the loan agreement, the bank will charge interest on the loan for the period during which the loan was available to the borrower. If the bank has paid the authorities charges due to the conclusion of the loan agreement and such charges are not refunded in the case of cancellation, the bank will have the right to receive compensation for such charges from the borrower.

If a loan other than a home or mortgage loan concluded is based on distance selling, the bank has the right, in cases referred to in law, in the case of cancellation charge effective interest for the period when the loan has been available to the borrower.

The borrower must return funds, interest included, obtained on the basis of the agreement without delay or within 30 days of sending the notice of cancellation and make the aforementioned payments, or otherwise the cancellation will become void.

### 6.2 Release of collateral

In case the borrower has lodged collateral in security for repayment of the loan, the bank will release said collateral as soon as the borrower returns all of the funds, interest included, drawn down on the basis of the loan agreement.

### 6.3 Non-binding ancillary contract

Another contract related to the loan agreement will not be binding on the borrower in case he/she cancels the agreement, if such ancillary service is provided by a bank or a third party on the basis of an agreement or another arrangement between the third party and the bank.

If the borrower wishes to keep the ancillary contract in force despite cancellation of the loan agreement, he/she must inform the bank in permanent form thereof within 30 days of sending the notice of cancellation. In case the ancillary contract remains in force, the bank will charge a price based on the contract.

## 7 VOLUNTARY PREPAYMENT

### 7.1 Borrower's right to repay a loan early

The borrower has the right to repay the loan or part thereof earlier than originally scheduled by notifying the bank thereof in permanent form.



If the borrower repays the loan or part thereof earlier, loan costs allocated to the unused loan term must be deducted from the remaining amount owed to the bank. However, the bank may charge all of the actual costs arising from the actions related to the establishment of the loan and specified in the loan agreement.

The bank is entitled to compensation for all expenses arising from collateral arrangements regardless of whether the loan is paid early in full or in part.

### 7.2 Bank's entitlement to compensation for early repayment of a home loan

If the borrower repays his/her housing loan or part thereof early, the bank may charge for any loss due to lower interest rates, provided that the amount lent was more than 20,000 euros and the loan interest rate was fixed or the reference interest rate's interest determination period was at least three years.

### 7.3 Bank's entitlement to compensation for early repayment of other than a home loan

The bank is entitled to compensation paid by the borrower if the latter repays his/her loan or part thereof early, provided that the loan interest rate is fixed.

This compensation accounts for no more than one per cent of the repaid amount or, if at the time of repayment the loan agreement expires within less than 12 months, for half a per cent of the repaid amount. However, the compensation may not exceed the interest amount for the period between early repayment and the loan agreement expiry date.

The bank is not entitled to compensation if the amount of loan repaid early within the last 12 months does not exceed 10,000 euros or if repayment is made under payment protection insurance.

### 7.4 Calculation of compensation

In home loans and mortgage loans, after the bank has received a request for repayment, it will promptly provide the borrower in a permanent form with a calculation that shows the amount of the compensation demanded and the bases and assumptions used in its calculation.

## 8 ALLOCATION OF REPAYMENTS

If the borrower has raised several loans from the bank, he/she will have the right to choose the loan to which he/she allocates his/her repayment. The bank determines what instalments of an individual loan will be covered by this repayment.

## 9 SPECIAL EVENTS OF DEFAULT

### 9.1 Delayed payment

The loan will fall due for payment upon the bank's written demand if the borrower fails to pay the principal, interest, default interest or another charge by the due date and if

- 1) such payment is at least one month late and is still outstanding; and
- 2) the outstanding amount accounts for at least ten per cent of the original amount of the loan or, if it comprises more than one payment instalment, for at least five per cent of the original amount of the loan, or comprises the remaining outstanding debt in full.

However, the loan will fall due for payment upon the bank's written demand, if such payment is at least six months late and is still outstanding to a substantial extent.

The bank will have no right to call in the loan if any late payment is due to the borrower's illness, unemployment or another comparable reason beyond the borrower's control. However, the bank will have the right to call in the loan, if it were manifestly unfair for the bank to continue the debt relationship with the borrower, in view of the time of such delay and other circumstances.

### 9.2 Other reasons

The loan will fall due for payment upon the bank's written demand if

- 1) the borrower or any of the borrowers has provided the bank with misleading information which may have affected the bank's decision to grant the loan or its terms and conditions;
  - 2) any of the borrowers dies;
  - 3) the pledge lodged as security for the loan is converted into cash;
  - 4) the borrower has failed to insure the pledge lodged as security for the loan;
- or
- 5) any of the borrowers has been in material breach of the loan agreement.

The loan will fall due for immediate repayment as a result of the commencement of the borrower's bankruptcy.

If a loan guarantor or any of them dies or is placed in bankruptcy, the borrower or a co-guarantor must obtain a new guarantor approved by the bank or some other collateral approved by the bank within the period specified by the bank, which must be at least one month. Otherwise, the bank may call in the loan in writing.

If the bank demonstrates that the collateral lodged can no longer be deemed adequate and a reduction in the value of the collateral is due to actions by the borrower or the pledgor, the borrower must increase the collateral within the period specified by the bank, which must be at least one month, and in the manner approved by the bank, or must amortise the loan by the amount specified by the bank in writing. Otherwise, the bank may call in the loan in writing.

### 9.3 Entry into force of demand for repayment

Calling in the loan will enter into force within four weeks or, if the borrower has previously been sent a reminder of late payment or some other breach of agreement, within two weeks of sending the borrower notice of calling in the loan. If the borrower pays the overdue amount or rectifies said breach of agreement within the above-mentioned period, the calling in of the loan will be cancelled.

The loan will fall due for immediate repayment if the borrower is declared bankrupt.

If the bank calls in the loan and demands its repayment, loan costs allocated to the unused loan term must be deducted from the remaining amount owed to the bank. However, the bank may charge all of the costs arising from the actions related to the establishment of the loan and specified in the loan agreement.

### 9.4 Bank's liquidity and capital adequacy

The loan will fall due upon the bank's demand in writing for immediate repayment if the bank's liquidity or capital adequacy falls below the limits provided for in law.

### 9.5 Borrower's right to extraordinary calling for repayment of a loan

The borrower will have the right to call for repayment of the loan early on the basis of a material breach of agreement by the bank in respect of this debt relationship. In such a case, the borrower is under no obligation to pay the bank any costs arising from such early repayment.

## 10 USE OF CREDIT HISTORY AND REPORTING PAYMENT DEFAULT TO THE CREDIT INFORMATION REGISTER

When granting and monitoring loan and accepting a guarantee or pledge, the bank uses the personal credit information of the person making a commitment. Such credit history is available from the credit information register maintained by a credit reference agency (such as Suomen Asiakastieto Oy).



In case the borrower defaults on payment, the bank has the right to report such default to the credit information register related to the loan agreement, if at least 60 days have passed from the original due date mentioned in a reminder and the bank and the borrower have not made any new payment agreement after the original due date, or if the registration of entry of such payment default is otherwise permitted under applicable legislation or a ruling by the data protection authorities.

#### **11 BANK'S RIGHT TO DISCLOSE INFORMATION TO A GUARANTOR AND PLEDGOR**

The bank has the right to disclose information to a guarantor and pledgor concerning all of the borrower's commitments, payment defaults and other circumstances affecting the borrower's credit standing.

#### **12 NOTICES**

The borrower must notify the bank without delay of any change in his/her name and address. The borrower must provide the bank upon request with information regarding his/her financial standing and other information affecting this debt relationship that is necessary to the bank as the lender.

When the bank sends the borrower a message on OP eServices or to his/her address, the borrower is considered to have received such a message no later than the seventh day of the date of sending the message.

The bank will send to the borrower mentioned first in the loan agreement messages and notifications related to the loan and information on any changes in agreements, terms and conditions, charges and fees and the list of service charges and fees.

#### **13 NOTIFICATION OF CHANGES IN FOREIGN EXCHANGE RATES**

The bank will inform the borrower of a foreign currency loan in permanent form when the remaining loan amount or the amount of instalments differs by over 20 per cent from what it would be if the foreign exchange rate valid at conclusion of the loan agreement were applied.

#### **14 RIGHT OF ALTERATION**

The bank has the right to alter the loan agreement by sending the borrower a prior notice of such alterations in permanent form, provided that such an alteration does not add to the borrower's obligations and diminish his/her rights, or is due to a legislative amendment or an official decision.

The bank will notify the borrower of an alteration at least two months before the alteration takes effect.

The alteration will take effect without the borrower's approval if the alteration is due to a legislative amendment or an official decision. Otherwise, the borrower is deemed to have agreed to the alterations of the terms and conditions of the agreement proposed by the bank unless he/she objects them by the proposed date when the alterations take effect.

#### **15 LIABILITY FOR INDIRECT LOSS**

The bank is not liable for any indirect losses caused to the borrower unless such a loss has been caused wilfully or through gross negligence.

#### **16 FORCE MAJEURE**

Neither of the parties is liable for any loss if it/he/she can prove that it/he/she has been prevented from fulfilling an obligation by an unusual and unforeseen reason beyond its/his/her control which has resulted in consequences that could not have been avoided by exercise of all due care. Neither is the bank liable for any loss arising from the fulfilment of any obligation under this agreement if such fulfilment were against any obligations laid down for the bank elsewhere in law.

Either party shall notify the other party as soon as possible of a force majeure circumstance it/he/she has encountered. If a force majeure event affects the bank, the bank may notify thereof in national daily newspapers.

#### **17 REGULATORS**

Consumer loans are supervised by the Financial Supervisory Authority ([www.finanssivalvonta.fi](http://www.finanssivalvonta.fi)), the Consumer Ombudsman, the Finnish Competition and Consumer Authority ([www.kkv.fi](http://www.kkv.fi)) and, as district administrative authorities under its control, Regional State Administrative Agencies ([www.avi.fi](http://www.avi.fi)).

#### **18 NON-JUDICIAL PROCEDURES**

The borrower may submit any disputes arising from the loan terms and conditions or the loan agreement to the Finnish Financial Ombudsman Bureau ([www.fine.fi](http://www.fine.fi)) or the Banking Complaints Board within the Bureau or to the Consumer Disputes Board ([www.kuluttajariita.fi](http://www.kuluttajariita.fi)).

#### **19 JURISDICTION AND APPLICABLE LAW**

The borrower may bring an action against the bank concerning disputes that may arise from this debt relationship in the district court of the jurisdiction of which the bank is domiciled or its management is mainly based or in the district court of the Finnish municipality in the jurisdiction of which he/she resides or has a permanent residence. If the borrower has no residence in Finland, disputes will be settled in the district court of the jurisdiction where the bank is domiciled or its management is mainly based.

The laws of Finland shall apply to this loan agreement.