

Buying a home under the ASP Scheme

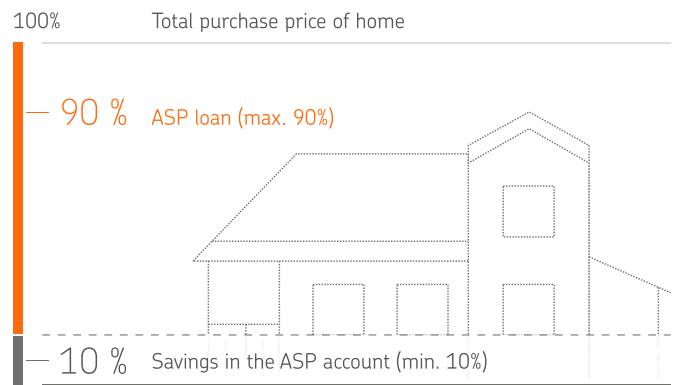


OP



What is ASP all about?

The acronym of ASP originates from "asuntosäästö-palkkiojärjestelmä" (home saver's bonus scheme) and its purpose is to make it easier for first-time home buyers to save money for buying a home. Saving money under the ASP scheme begins by opening an ASP account with a bank. When you have saved the required amount in the account, the bank can grant you the rest as the ASP loan.



Whom is ASP for?

If you have not owned a flat before – but you are dreaming about it – ASP is ideal for you. You can begin ASP saving when you are aged between 15 and 39. A married couple may start saving under the ASP scheme even if one of them is older than 40 years. It is advisable to start saving under the ASP scheme well in advance even if buying a home became topical only in a few years' time. Saving under the scheme does not require regular income.

How does ASP work?

You need to save 10% of your future home's estimated price on your ASP account, at least during eight quarters of a year (some 2 years). There is no maximum period for saving. Once you have saved the targeted amount within the fixed schedule, the bank may grant you the remainder 90% as the ASP loan with a maximum loan term of 25 years.

You can deposit 150–3 000 euros into the account during a calendar quarter. The quarters do not need to be successive and you can also skip quarters depending on your situation. This means that the amount of savings in the account may come to 600–12 000 euros.

People between 15 and 39 years old may open an ASP account. One of the spouses can be over 40 years of age.

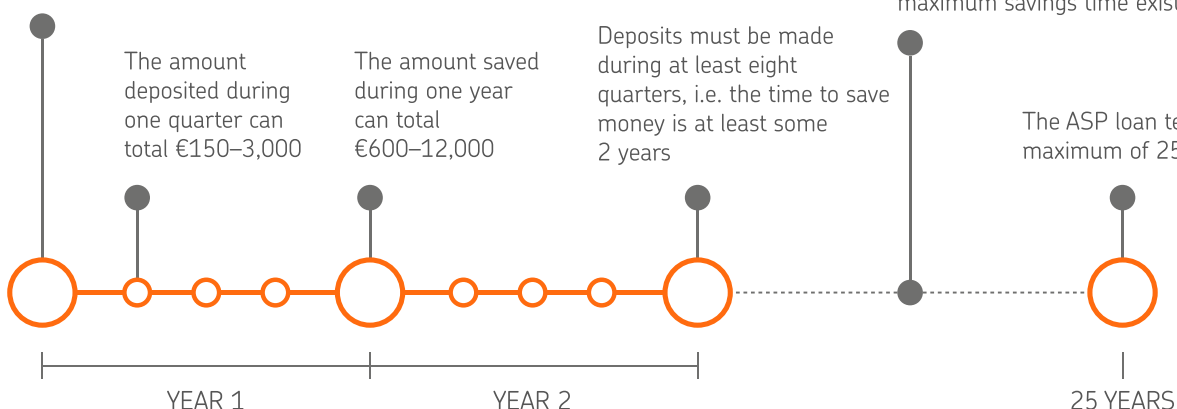
The amount deposited during one quarter can total €150–3,000

The amount saved during one year can total €600–12,000

Deposits must be made during at least eight quarters, i.e. the time to save money is at least some 2 years

Once the targeted amount have been saved within the fixed schedule, the bank will grant an ASP loan (no maximum savings time exists)

The ASP loan term is a maximum of 25 years



Benefits from ASP

Saving under the ASP scheme has a number of benefits that you can use when you start saving under the scheme to buy a new home. The more you save money in advance, the less you need to take up loan. The ASP scheme is flexible because you can easily change the savings amounts and periods along the way.

1. BETTER INTEREST ON SAVINGS

Amounts saved in the ASP account earn an annual interest rate of 1%, which is higher than that paid on normal account. Moreover, you are entitled to 4 % bonus interest on your savings, provided that you have fulfilled the ASP terms and conditions and have bought a home. Exceptionally, interest and the bonus interest are not subject to tax.

ANNUAL DEPOSIT
1% RATE
+ bonus rate

2. BETTER LOAN TERMS AND CONDITIONS

According to normal practice, you can get a home loan that accounts for 70% of the home purchase price, and you may need side collateral for the rest. By means of ASP, you can get government-guaranteed home loan up to 90% of the purchase price (maximum guarantee amount 50 000 euros) and that guarantee is not subject to a guarantee fee for the ASP interest subsidy loan.

GOVERNMENT-GUARANTEED
HOME LOAN UP TO 90%

3. FREE OF CHARGE INTEREST SUBSIDY

You are entitled to a 10-year government interest subsidy on your ASP loan. If the ASP borrowing rate exceeds 3.8% during that period, the government will pay 70% of the interest above that rate.

10-YEAR INTEREST SUBSIDY
3,8%
-70%



DID YOU KNOW THAT the maximum amount of an interest-subsidised ASP loan is 215,000 euros in Helsinki, 160,000 euros in Espoo, Kauniainen and Vantaa, 140,000 euros in Tampere and Turku and 120,000 euros elsewhere in Finland.

Start saving under the ASP scheme in OP cooperative bank

Opening an ASP account in an OP cooperative bank is worthwhile, because you will get the best benefits. In addition to the 1% deposit rate of your ASP account, we will pay a 4% bonus interest rate for the first year of saving and thereafter for the five following years at the most – provided that the ASP terms and conditions are fulfilled and that you will buy your home using the ASP scheme. What is more, your savings and the ASP loan will be counted as transactions which generate OP bonuses*. Book an appointment at a branch and we can open an ASP account even today.

EXAMPLE OF TIINA'S SAVING UNDER THE ASP SCHEME

- ▶ Tiina (19 years) opened an ASP account with an OP cooperative bank to buy a bed-sitting room flat worth 235 000 euros in Helsinki¹.
- ▶ When Tiina has managed to save 10% of the estimated home purchase price, or 23 500 euros in this particular case, she needs to raise a loan worth 211 500 euros.

▶ ASP saving	23 500 euros
ASP interest subsidy loan	211 500 euros
collateral value of home	164 500 euros
government subsidy	47 000 euros

No need for side collateral

¹) ASP interest subsidy loan a maximum of 215 000 euros in Helsinki.

EXAMPLE OF LIISA'S AND JANNE'S SAVING UNDER ASP SCHEME

- ▶ Liisa (24 years) and Janne (31 years) begin ASP saving together, aiming at buying a 200 000 euro three-room apartment in a row house in Oulu².
- ▶ Once Liisa and Janne have saved up to 10% of the estimated home purchase price, or 20 000 euros in this particular case, their home loan need is 180 000 euros.

▶ ASP savings	20 000 euros
ASP interest subsidy loan	120 000 euros
ASP additional loan	60 000 euros
collateral value of home	140 000 euros
government subsidy	40 000 euros

No need for side collateral

²) ASP interest subsidy loan a maximum of 120 000 euros in Oulu.

* WHO EARNS OP BONUSES?

OP bonuses are earned by an OP cooperative bank's owner-customers from all transactions entitling to bonuses. Loans, funds in savings accounts as well as insurance premiums for home and vehicle insurance and continuous travel insurance are included in such transactions. Earned OP bonuses are used, for instance, for banking services and insurance premiums.

Find out on op.fi/bonuslaskuri (in Finnish) the amount of OP bonuses you or your family could earn