



# Terms and conditions of accounts with overdraft facility

## Consumers

Effective as of 1 June 2021

### 1 Service provider

An OP Financial Group member cooperative bank (hereinafter OP) is the service provider that grants the credit facility.

The service provider is entered in the Trade Register maintained by the Finnish Patent and Registration Office.

OP is supervised by the Financial Supervisory Authority and, in consumer issues, by the Consumer Ombudsman.

Financial Supervisory Authority's contact information:

Financial Supervisory Authority, Snellmaninkatu 6, P.O. Box 103, 00101 Helsinki ([www.fiva.fi](http://www.fiva.fi))

Consumer Ombudsman's contact information: Competition and Consumer Authority, Siltasaarekatu 12 A, P.O. Box 5, 00531 Helsinki ([www.kkv.fi](http://www.kkv.fi))

### 2 Scope of application

The laws of Finland apply to this agreement.

These terms and conditions apply to a credit facility linked to an account. In addition to these terms and conditions, the General terms and conditions for accounts will apply. In the event of conflict between the terms, these terms and conditions will apply to the credit facility.

In the event of any discrepancy or difference in interpretation between various language versions of these terms and conditions, the Finnish language version will prevail.

### 3 Definitions

Definitions used in these terms and conditions are as follows:

**Mortgage loan** means a consumer loan 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.

**International sanctions** refer to sanctions, financial sanctions, export or import bans, trade embargoes or other restrictions 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, or to administrative asset freezing measures imposed by the Finnish National Bureau of Investigation.

**Consumer** is a natural person who enters into the agreement mainly for a purpose other than their business.

**Credit costs** refer to the total amount of interest, expenses and other charges known to OP and payable by the borrower owing to their obligations to the bank, including any costs of insurance and other additional services related to the credit agreement if obtaining the credit on the marketed terms requires entry into an agreement on the additional service.

**OP Financial Group** consists of OP Cooperative, its existing and future subsidiaries, its Group companies, entities and foundations and their subsidiaries, OP Cooperative's member cooperative banks and their subsidiaries, OP Bank Group Pension Foundation, OP Bank Group Pension Fund and other existing and future companies, entities and foundations, over which at least one of the abovementioned organisations alone or together exercises control.

**OP's online services** comprise electronic service channels that an OP Financial Group bank or company offers to customers, in which customers use the services as identified persons. These service channels include the [op.fi](http://op.fi) service, OP-mobile, OP Accessible and the OP Customer Service at 0100 0500.

**Banking day** refers to any weekday from Monday to Friday excluding Finnish religious holidays, Finland's Independence Day, 1 May, Christmas Eve, Midsummer Eve and any day that is not otherwise regarded as a banking day.

**Provision of information in permanent form** refers to providing information on OP's online services or to a written notification.

**Effective interest rate** refers to an annual interest rate derived from calculating the costs of the credit in terms of annual interest on the credit amount and taking account of amounts repaid.

**Foreign currency loan** means a mortgage-backed consumer loan granted in a currency other than that of the EU or EEA country where the consumer resides, or in a currency of a country other than where the consumer earns their income or has assets that they intend to use to repay the loan.

### 4 Granting of credit

Credit may be granted to a creditworthy person of at least 18 years of age permanently residing in Finland who has regular income from pay or a pension and is known for financial prudence. A credit decision is based on general assessment and OP has the right to reject an application or to accept a credit amount that is lower than applied for.



## 5 Commencement and termination of the agreement

The credit linked to the account is a revolving credit facility. The agreement will enter into force when the borrower accepts it by using electronic identification means or by signing it, OP has received collateral agreed when granting the credit facility, and all pledge and guarantee documents have been duly signed and are in the possession of OP, and any other conditions for full or partial drawdown of the credit have been fulfilled. The agreement will remain effective until further notice, unless otherwise agreed.

### 5.1 Consumer's right of cancellation

The borrower has the right to cancel the credit agreement by informing OP thereof in permanent form within 14 days of the date when the borrower received in permanent form a copy of the credit agreement and its terms and conditions.

If the borrower cancels the credit agreement, OP will charge interest on the credit for the period that the credit was available to the borrower. If OP has paid the authorities charges due to the conclusion of the credit agreement and such charges are not refunded in the case of cancellation, OP will have the right to receive compensation for such charges from 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, or otherwise the cancellation will become void.

If other services have been included in the credit agreement, they will be cancelled when cancelling this agreement.

### 5.2 Termination of the agreement

The borrower has the right to terminate the agreement with immediate effect by notifying OP of the matter in writing.

OP has the right to terminate the agreement, applying a notice period of two months from the date of sending the notice of termination.

Upon termination, the credit must be repaid, including interest and expenses. Following termination of the agreement, the borrower will have no right to use the credit.

A guarantor and third-party pledger have the right to prevent use of the credit and terminate the credit agreement by paying the credit amount, interest, commissions, penalty interest and charges and fees related to repayment of the credit and the management of the account and credit at an OP branch.

OP will refund the amount of charges and fees paid in advance by the borrower for the period after the termination of the agreement.

### 5.3 Expiry of a fixed-term agreement

A fixed-term credit agreement will expire and the credit will fall due for repayment on the agreed date specified in the credit agreement. The credit may no longer be used from the due date.

### 5.4 Event of default

#### Exceeded credit limit

The agreement will terminate and the credit will fall due for payment at OP's written request, if the credit amount exceeds the agreed credit limit when charging the commission, interest or other fees under the terms and conditions.

The borrower must pay OP penalty interest on exceeding the credit limit, a charge for sending a reminder and other fees and charges for collection of the overdrawn amount. OP has the right to debit the abovementioned amounts from the account.

#### Other reasons

The credit will fall due for payment in full upon OP's written demand if

- 1 the borrower has provided OP with misleading information that may have affected OP's decision to grant the credit or its terms and conditions;
- 2 the credit is used for unlawful purposes;
- 3 the borrower, guarantor or collateral provider
  - a. is subject to international sanctions or acts on behalf of a private or legal person subject to such sanctions;
  - b. does not comply with the international sanctions applied to it;
  - c. directly or indirectly lends, transfers or otherwise enables the use of funds received from the credit to a business subject to international sanctions, or allows their transfer to a private or legal person subject to international sanctions;
  - d. knowingly enables the repayment of the credit, even partially, by means of funds obtained from a business or a private or legal person subject to international sanctions;
- 4 any of the borrowers dies;
- 5 the pledge lodged as security for the credit is converted into cash;
- 6 the borrower has failed to insure the pledge lodged as security for the credit;
- 7 the borrower is in material breach of the credit agreement.



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

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

If OP demonstrates that the collateral lodged can no longer be deemed sufficient and a reduction in the value of the collateral is due to actions by the borrower or the owner of the pledge, the borrower must increase the collateral within the period specified by OP, which must be at least one month, and in the manner approved by OP, or must amortise the credit by the amount specified by OP in writing. Otherwise, OP may demand credit repayment in writing.

### Entry into force of demand for repayment

Demand for repayment of the credit 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 repayment of the credit. If the borrower pays the overdue amount or rectifies said breach of agreement within the abovementioned period, demand for repayment will be cancelled.

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

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

### 5.5 Credit institution's liquidity and capital adequacy

At OP's written request, the credit will fall due for immediate repayment if the lender's liquidity or capital adequacy falls below the statutory level.

## 6 Use of credit facility

Credit may be drawn down at an OP Financial Group member cooperative bank branch, on OP's online services or by using another instrument intended for use of the credit. The borrower or a person authorised to use the credit may use a payment instrument only in such a way that the credit limit is not exceeded.

If there are two or more borrowers, each may singly use the credit unless otherwise agreed in writing. If any of the borrowers wishes to prevent the use of credit, OP must be notified thereof, in which case OP has the right to prevent

its use. Thereafter, the credit may be used only by all borrowers jointly.

## 7 OP's right to restrict the use of credit

Restrictions on the use of the credit will be subject to the provisions of the account terms and conditions regarding OP's right not to accept the use of the account and OP's right to close the account and restrict the use of the account. In addition to what has been stipulated in the account terms and conditions, OP has the right to close the credit facility or prevent the borrower from using the credit facility linked to the account if

- 1 OP has reason to suspect that the credit is being used in an unauthorised manner or with fraudulent intent;
- 2 the risk of the borrower failing to fulfil their repayment obligation has risen considerably;
- 3 an execution officer has notified the bank of a prohibition of payment or remittance pertaining to the credit facility;
- 4 the borrower has filed an application, as referred to in either the Act on the Adjustment of the Debts of a Private Individual or the Restructuring of Enterprises Act, with a court of justice; or
- 5 a private guarantor or a private pledger has notified the bank of no longer being liable for a new credit to be drawn down.

The bank will promptly notify the borrower of prevention of the use of the credit facility in permanent form. In such a case, the bank has the right to terminate the agreement as specified in clause 5.2 above and call repayment of the credit as specified in clause 5.4 above.

## 8 Amendment of the agreement

OP has the right to alter the credit agreement by sending the borrower a notice of such alterations in the manner specified in the account terms and conditions.

### 8.1 Assignment of the agreement

OP has the right to assign this agreement, including the rights and obligations based on it, in full or in part to a party specified by OP. The borrower has no right to assign this agreement to a third party.

## 9 Charges and fees related to the credit facility, and their changes

The credit agreement specifies the charges and fees related to the credit facility. OP will notify of any changes in charges and fees in the manner specified in the account terms and conditions.

If the borrower and OP agree on any changes to the credit agreement or on other services, OP has the right to charge for them according to the list of service charges and fees.



The list of service charges and fees valid at any given time is available from OP's branches and at [op.fi](http://op.fi).

## 10 Personal data processing

OP processes customers' personal data in accordance with regulations in force and in a manner described in greater detail in the Privacy Notice. The customer is advised to familiarise themselves with the privacy information. The Privacy Notice is available on the OP website at [Data protection at OP](#).

## 11 Use of credit history and reporting payment default to the credit data file

When granting and supervising a loan, OP uses the personal credit information of the borrower. Such credit history is available from the credit data file maintained by a credit reference agency (such as Suomen Asiakastieto Oy).

In case the borrower defaults on payment, OP has the right to report the default of payments arising from the credit agreement to the credit data file, if at least 60 days have passed since the original due date mentioned in a reminder and OP 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 laws or a ruling by the data protection authorities.

## 12 OP's right to disclose information on borrower's financial standing to the guarantor and the pledgor

OP 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 financial standing.

## 13 Notification of changes in foreign exchange rates

OP will inform the borrower of a foreign currency credit in permanent form when the remaining credit 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 credit agreement were applied.

## 14 Credit interest rate

### 14.1 Interest on floating-rate credit

The total interest rate on floating-rate credit comprises a reference interest rate and a markup. The credit agreement sets forth the reference interest rate and the margin as well as the effect of changes in the reference interest rate on the interest payable on the credit amount.

When calculating the credit interest rate, the reference interest rate must be at least 0%.

The credit interest rate for the first interest period and a change in the interest rate appear from section Credit Interest Rate under the credit agreement.

### 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 credit interest rate will remain unchanged throughout the interest rate determination period. The length of the interest rate determination period is indicated by the name of the reference interest rate.

### 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 in Finland. OP Cooperative's Executive Management Team 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](http://op.fi) and from OP Financial Group's member bank branches.

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

### 14.2 Fixed interest rate

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

### 14.3 Information provided on interest rates and repayments

OP will notify the borrower of changes in interest rates as specified in the account terms and conditions.

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

If quotation of the reference interest rate ceases or is suspended, or the premises for determining the reference interest rate have materially changed, the new reference interest rate will be determined in accordance with a statute issued on the matter or a decision or instructions by the relevant authorities.

If no statute or decision or instructions by the authorities is issued on a new reference interest rate within a reasonable time, the bank will assess the change in reference interest rate and determine a new reference rate, taking into account applicable market practices. The bank will specify detailed principles and procedures to be followed in the



event of the cessation of and/or material changes in the reference interest rate in its business continuity plan, in accordance with the applicable regulations. The business continuity plan is not a public document. The bank will inform of said change as specified in the account terms and conditions regarding amendment of the agreement.

#### 14.5 Penalty interest

If the borrower defaults on credit repayment or payment of interest charges or other charges and fees so that OP does not receive the payment by the due date, the borrower must pay annual penalty interest on the overdue amount from the due date until the date on which the overdue amount arrives at OP. The penalty interest rate is seven (7) percentage points higher than the reference interest rate referred to in the Interest Act. However, penalty interest is never lower than the interest charged on the credit by OP.

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

#### 15 Postponement of the repayment date

If the due date is not a banking day, the repayment date of the credit and the related interest and charges related to the management of the credit will be postponed until the next banking day. In such a case, OP will charge credit 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 credit.