



# Terms and Conditions of Government-guaranteed Student Loan

Effective as of 24 November 2021.

**A student loan is a loan guaranteed by the Government, for which no other collateral is required. The bank may grant a student loan after a Government guarantee has been granted.**

## 1 Definitions

**1.1 Loan costs** refer to the total interest charges, expenses and other charges known to the bank as the lender and payable by the borrower under their obligation to the creditor.

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

**1.3 Distance selling** refers to a transaction whereby an agreement on a service is made through telecommunications, without the customer meeting the lender's representative in person. Distance selling excludes any transaction based on an existing online or telephone bank agreement.

**1.4 Provision of information in permanent form** refers to providing information via OP eServices or by written notification.

The lender shall notify its online service customers of any changes in this promissory note, its terms and conditions, the lender's Charges and Fees, and any other notifications based on this debt relationship by sending the borrower a message via OP eServices.

If the customer has no eServices agreement with the lender, the lender will send the abovementioned notifications by post to the address reported to the lender or to the Digital and Population Data Services Agency.

**1.5 International Sanctions** mean sanctions, financial penalties, export or import bans, trade embargoes or other restrictions imposed, administered, approved or executed by the Finnish Government, the United Nations, the European Union, the United States of America, the United Kingdom or their competent authorities or governing bodies, as well as administrative assetfreezing measures imposed by the Finnish National Bureau of Investigation.

## 2 Conditions precedent

Drawing down the loan requires that

- the borrower has signed a promissory note and, if so separately agreed, a specific drawdown agreement;

- the bank has guarantee information based on a decision made by the Social Insurance Institution of Finland (KELA) or the Financial Aid Committee of the student's university; 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 there are grounds for demanding repayment of the loan earlier than originally scheduled. The loan can be drawn down, for example, at a bank branch or via OP eServices, if all drawdown criteria and preconditions have been fulfilled.

## 3 Interest

### 3.1 Interest on a floating rate loan

Interest on a floating rate loan comprises the reference interest rate and a lender's margin (markup).

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

Irrespective of the reference interest rate, the interest rate of a loan 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 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.

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 is given in the loan drawdown document. 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 will change in accordance with the rate on the banking day preceding the day when the interest determination period begins. If that day is not a Euribor quotation day, the reference interest rate used for the loan will be 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 will change 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 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 loan changes as much as the OP-prime rate changes on the day when the change in 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 rates and repayments

If the loan interest rate changes, the lender will provide the borrower with up-to-date information — in permanent form and at least once a year — on interest and, after the completion of studies, the amount of each repayment and the number of repayment instalments.

During the contractual relationship, the borrower has the right, upon request, to receive a loan repayment table in accordance with the Consumer Protection Act, after a repayment scheme has been drawn up for the loan.

## 3.5 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 applied in accordance with the statute issued on the matter, or the decision or instructions by the relevant authorities.

If no statute or decision or instructions by the authorities are issued on a new reference interest rate within a reasonable time, the lender 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 lender will notify the borrower, in permanent form, of any change at least two months before the change becomes effective.

## 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 Penalty interest

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

The penalty interest rate is seven (7) percentage points higher than the reference interest rate referred to in the Interest Act. However, it is never lower than the interest charged on the loan by the lender. If the interest charged by the lender prior to the loan maturity is higher than the penalty interest referred to in the Interest Act, the lender will have the right to charge this interest as penalty 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, OP will charge penalty interest under the Interest Act.

## 4 Change in charges and fees

The lender may raise charges and fees for the loan under the promissory note if the costs of actions they arise from have increased due to either legislation, a decision or regulation issued by the relevant authority or an increase in the lender's system, workforce or other costs. A raise in a charge or fee may not exceed the increase in costs attributed to this loan. It is, however, sufficient that the raise approximately correspond to increases in actual costs.

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

If the borrower and the lender agree on any changes to the promissory note or on other services, the lender 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 lender's branches.



## 5 Postponement of the repayment date

If the due date is not a banking day, the date of repayment of the loan and interest payable on the loan and other loan costs will be postponed until the next banking day. In such a case, the lender 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.

Banking 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 and any day that is not otherwise regarded as a banking day.

## 6 Right of cancellation (right of withdrawal)

The borrower has the right to cancel the loan agreement by informing the lender thereof in permanent form within 14 days of the date when the borrower received, in permanent form, a copy of the promissory note and its terms and conditions and, in the case of distance selling, advance information.

If the borrower cancels the loan agreement, the lender will charge interest on the loan for the period during which the loan was 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, or the cancellation will become void.

## 7 Early repayment

The borrower has the right to repay the loan or part thereof earlier than originally scheduled, without incurring charges.

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 lender. However, the lender may charge all of the actual costs arising from the actions related to the establishment of the loan and specified in the promissory note.

## 8 Allocation of repayments

If the borrower has raised several loans from the lender, the borrower will have the right to choose the loan to which the borrower allocates a repayment. The lender determines what instalments of an individual loan will be covered by each repayment.

## 9 Special events of default

### 9.1 Delayed payment

The loan will fall due for payment upon the lender's written demand if the borrower fails to pay the principal, interest, default interest or another charge by the due date and if such payments are at least three months overdue. The bank will notify KELA of such default at least one month before presenting its demand for payment.

The lender will have no right to demand repayment of the loan balance if any late payment is due to the borrower's illness, unemployment or another comparable reason beyond the borrower's control. However, the lender will have the right to demand repayment of the loan, if it would be manifestly unfair for the lender to continue the debt relationship with the borrower, in view of the duration of such a delay and other circumstances.

### 9.2 Other reasons

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

- 1 the borrower or any of the borrowers has provided the lender with misleading information which may have affected the lender's decision to grant the loan, or its terms and conditions,
- 2 the loan is used for unlawful purposes,
- 3 the borrower knowingly enables the repayment of the loan, even partially, by means of illegal funds,
- 4 the borrower
  - 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 the borrower;
  - c. directly or indirectly lends, transfers or otherwise enables the use of funds received from the loan to a business subject to international sanctions, or allows their transfer to a private or legal person subject to international sanctions; or
  - 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;
- 5 any of the borrowers dies;
- 6 the borrower 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.



### 9.3 Entry into force of demand for repayment

A demand for repayment 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. If the borrower pays the overdue amount within the abovementioned period, the demand for repayment 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 costs arising from the actions related to the establishment of the loan and specified in the promissory note.

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

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

If the borrower defaults on payment, the lender has the right to report such default to the credit data file related to the loan agreement, if at least 60 days have passed from the original due date mentioned in a reminder and the lender 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 Lender's right to disclose information on the borrowers repayment capacity to a guarantor

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

## 12 Notifications

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

The borrower must promptly notify the lender of any suspension or termination of the borrower's studies. The borrower agrees that the lender has the right to verify the validity of the information the borrower has given to the lender.

When the lender sends the borrower a message via OP eServices or to the borrower's address, the borrower is considered to have received such a message no later than the seventh day of the date of sending the message.

## 13 Processing of personal data

The lender processes customers' personal data in accordance with the regulations in force and in a manner described in greater detail in the Privacy Notice. The client is advised to read the indicated privacy information. The Privacy Notice is available on the lender's website at [www.op.fi/dataprotection](http://www.op.fi/dataprotection).

## 14 Right of alteration

The lender has the right to alter the loan agreement by sending the borrower prior notice of such alterations in permanent form, provided that such an alteration does not add to the borrower's obligations and diminish the borrower's rights, or is due to a legislative amendment or an official decision. The lender 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 official decision. Otherwise, the borrower will be deemed to have agreed to the alterations of the terms and conditions of the agreement proposed by the lender unless the borrower objects to them by their proposed effective date.

## 15 Liability for indirect loss

The lender 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 party shall be liable for a loss where they can prove that they were prevented from fulfilling an obligation for an unusual and unforeseen reason that was beyond the party's control and the consequences of which could not have been avoided by the exercise of all due care. Neither is the lender liable for any loss arising from the fulfilment of any obligation under this agreement if such fulfilment is against any obligations laid down for the lender elsewhere in law.

Either party will notify the other party as soon as possible of any force majeure circumstances that arise. If a force majeure event affects the lender, the lender may make notification 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

Contact us first without delay, and we will try to solve the matter together. If the matter cannot be settled by way of negotiation, you should present your demand to the credit institution in writing, including related grounds.

If you disagree with the decision made by the lender, you can submit the matter in writing to OP Financial Group's Customer Ombudsman ([www.op.fi/asiakasiamies](http://www.op.fi/asiakasiamies)). The Customer Ombudsman is a fast and free-of-charge complaint-handling channel, and the handling concerned is independent of the previous decision.

As a consumer, you may take any dispute concerning these terms to the Consumer Disputes Board ([www.kuluttajajiriita.fi](http://www.kuluttajajiriita.fi)). If the dispute concerns a financial or insurance service, you may submit the dispute to the Finnish Financial Ombudsman Bureau ([www.fine.fi](http://www.fine.fi)) or to the Bureau's Banking, Investment or Insurance Boards. You may also contact the Financial Supervisory Authority.

## 19 Jurisdiction and applicable law

The borrower may bring an action against the lender concerning any disputes that arise from this debt relationship in the district court of the jurisdiction in which the lender is domiciled or its management is mainly based, or in the district court of the Finnish municipality which has jurisdiction over where the borrower 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 in which the lender is domiciled or its management is mainly based, in the District Court of Keski-Suomi (Central Finland District Court).

The laws of Finland shall apply to this agreement.