

What to keep in mind as a loan recipient

Make sure to ask any questions you have regarding the terms and conditions or content of the loan agreement. If necessary, take some time and consult with a bank employee or other financial expert.

This document does not include binding terms and conditions. When you conclude a loan agreement, then the terms and conditions agreed upon in that specific loan agreement apply.

Note that:

- the loan interest rate may change pursuant to the loan agreement! If the loan interest rate should increase, then monthly loan payments will also rise and due to this, loan payments may require more money than before;
 - your economic situation and solvency may change due to smaller income or bigger obligations;
 - if your income is not received in euros, then loan payments may require more money if the currency exchange rate changes unfavourably. NB! Luminor Bank AS only provides loans in euros and only to those loan applicants with residence in a European Union member state where the currency is euro;
 - if there is a significant decrease in the value of your loan security, your surety provider's income or increase in proprietary obligations or initiation of a bankruptcy procedure regarding your surety provider, the loan recipient must restore the value of the security pursuant to the bank's request, present a new surety provider acceptable to the bank or provide another security acceptable to the bank;
 - according to the loan agreement, your work income and other regular income must come into a Luminor Bank AS bank account (unless agreed differently in your loan agreement).
 - When submitting your loan application to the bank, you must confirm that:
 - All information you have submitted to the bank (including information about interest and financial situation) is true, full and relevant; The
 - responsibility you are planning to take on corresponds to your needs and economic situation.
 - If you change your mind and do not want to take on the obligations accompanying a loan, then you have the right to withdraw from the loan agreement during the following deadlines:
 - In case of a loan agreement secured by a mortgage, within 7 days of concluding the loan agreement;
 - In case of a loan agreement without a mortgage, within 14 days of concluding the loan agreement.
- To withdraw, you must submit a withdrawal application to the bank in writing (including digitally signed) or via online bank. If you use your right of withdrawal, then you must immediately, but no later than within 30 days from submission of the withdrawal application, return the full paid loan sum to the bank and pay the calculated interest. Otherwise, you will be considered not to have withdrawn from the loan agreement.
- If you wish, you can repay the loan partially or in full before term.
 - In early repayment of a mortgage secured and unfixed interest rate (e.g. Euribor) loan, the bank must also be paid a fee for early repayment on the loan sum repaid early calculated to the extent of 3 following months' interest (unless agreed differently in the loan agreement). If you inform the bank of early repayment at least 3 months in advance, then the early repayment fee will not be applied (unless agreed differently in the loan agreement).
 - In early repayment of a loan without a mortgage, no early repayment fee must be paid to the bank.
- Fulfil the agreement as agreed to avoid any potential negative consequences:
- delaying payments obliges the loan recipient to pay a fine for delay to the bank pursuant to the statutory consumer credit rate of fine for delay or pursuant to the loan interest rate if it is higher than the statutory consumer credit rate of fine for delay ;
 - a service fee must be paid to the bank if the bank sends a notice by mail regarding arrears or another obligation that has not been fulfilled by deadline according to the bank's pricelist (as of 01.10.2015 in the sum of EUR 5, from second notice);
 - if payments are left unpaid, then the bank has a right to disclose data regarding the loan recipient's arrears to Creditinfo Eesti AS or other person with the aim of making this data available in the debtors' database,

which is accessible to the public or a restricted number of people. Payment defaults in the sum of at least 30 euros (including interest and arrears), which have lasted for at least 45 days and have not been contested are entered in Creditinfo Eesti AS payment default register;

- for infringement of the loan agreement other than delay in payment (e.g. insurance obligation, informing and approval obligation, presentation of false data, unintended use of loan), the bank has the right to demand contractual penalty up to 5 % on the loan balance;
 - if it is agreed in the loan agreement that the bank will give the loan for intended use (e.g. purchase of a home, home renovation etc), then the loan recipient is not allowed to use the loan for other purposes. For such an infringement of the loan agreement, the bank has the right to demand a contractual penalty up to 5 % on the loan balance; in case of a significant infringement, the bank is entitled to terminate the loan agreement and demand immediate early repayment of the loan;
 - if it is agreed in the loan agreement that the loan recipient's regular income will be received at the bank during the validity of the loan agreement and regular income is not received at the bank, then the bank has the unilateral right to raise the interest margin up to two percentage points;
 - the bank has the right to terminate the loan agreement and demand immediate repayment of the loan prematurely in the following cases:
 - if the loan recipient has fully or partially delayed payment of the required sum on at least three consecutive compulsory repayment due dates. In such a case, the bank shall give the loan recipient at least a two-week additional deadline to pay the owed sum and warns the customer that if the customer does not pay the sum during this period of time, the bank will terminate the loan agreement and demand the full repayment of the total loan sum prematurely.
 - if the loan recipient or surety provider has significantly breached the loan agreement or security agreement in some other way and has not eliminated the breach by the deadline set forth by the bank.
 - The bank has the right to terminate the overdraft facility agreement at any time without prior notice and require immediate repayment of sums owed to the bank in the following cases:
 - The overdraft facility limit has been exceeded on more than 14 consecutive days;
 - The loan recipient has delayed fulfilling his/her payment obligation of owed sums to the bank on any other basis by more than 14 days;
 - Bankruptcy or bankruptcy execution proceeding has been initiated concerning the loan recipient;
- Other circumstances are present, which give the bank sufficient grounds to think that the loan recipient is not fulfilling or is unable to fulfil existing or future obligations;
 - the bank has the right to use the services of a collection service provider to collect a debt and related costs may be borne by the loan recipient;
 - the bank has the right to sell the loan security, if the loan recipient does not fulfil the payment obligation that arises from the loan agreement:
 - If obligations arising from the mortgage secured loan agreement are not fulfilled, then the bank has the right to terminate the loan agreement pursuant to the above-mentioned terms and conditions and to require the compulsory execution of the obligations arising from the loan agreement pursuant to the Code of Enforcement Procedure. In compulsory execution, the registered immovable encumbered with a mortgage is sold at an auction and the bank's claim will be settled on account of the funds received from the sale. Compulsory execution is carried out by bailiff and the debtor bears the execution costs;
 - The bank may offer the loan recipient the opportunity to sell the registered immovable encumbered with a mortgage outside the compulsory execution pursuant to terms and conditions set forth by the bank if the bank finds this will guarantee the possibility to settle the bank's claims to a greater extent than with compulsory execution or if it is sensible for some other reason considering both parties' interests;
 - If obligations arising from the security guaranteed loan agreement are not fulfilled, then the bank has the right to demand the fulfilment of agreement-related obligations from the surety provider. The surety provider is liable for the loan recipient's obligation to the extent listed in the surety agreement;
 - If a statement of claim must be filed to court in order to collect a debt or sell the loan security, then related costs for legal assistance and state fees may be left to be paid by the loan recipient. The compulsory execution of the court decision is organized by a bailiff and costs of execution are borne by the debtor
- If the loan recipient remains insolvent permanently (i.e. is unable to fulfil the payment obligations and this inability is not temporary due to the loan recipient's economic situation), (a) creditor(s), including the bank, has a right to submit an application to the court to declare the loan recipient bankrupt.
- if despite everything, it is impossible to overcome solvency difficulties independently, then information about potential assistance programmes and/or supports is available through the following channels:
 - read additional information from the consumer web administered by the Financial Inspectorate www.minuraha.ee;

- see information about registering as unemployed, labour market services, new job vacancies and other useful items on the Unemployment Insurance Office webpage www.tootukassa.ee;
 - turn to the local municipality and inquire about different social supports. You can find additional information from the Ministry of Social Affairs webpage www.sm.ee;
 - if your settlement account is frozen, then you must turn to a bailiff for further explanations. Find out the reason. You can find additional information about bailiffs on the webpage of the Chamber of Bailiffs and Insolvency Administrators at www.kpkoda.ee.
- Luminor Bank AS is supervised by the Estonian Financial Inspectorate and Consumer Protection Board.
 - Disputes between parties are first and foremost resolved by way of negotiations. If the parties are unable to reach an agreement, then it is possible to submit a complaint to an out-of-court supervisory institution. Consumer Protection Board's contacts and guidelines for submitting a complaint are available on the webpage www.tka.riik.ee. The contacts of the Estonian Financial Inspectorate are available on the webpage www.fi.ee.
 - If an out-of-court resolution cannot be reached in the dispute, then each party has the right to turn to the court for protection of his/her rights. First, an application initiating proceedings following the requirements listed in the Code of Civil Procedure must be submitted to the County court. See information about the options for turning to the court, including fees, state legal assistance and procedural assistance from the consumer web www.minuraha.ee or webpage www.kohus.ee.

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Taking a loan comes with obligations that carry a risk of developing debts. Note that breach of the monthly repayment obligation may make getting a loan in the future significantly harder.

If you experience difficulties making the repayments, make sure to contact the bank as early as possible to find the best possible solution and prevent any additional costs from incurring (arrear, fee for processing debt, bailiff fee etc). To avoid accumulation of problems, it is reasonable and important to cooperate with the bank as much as possible.

The bank recommends considering all of the above-mentioned explanations thoroughly and asking additional questions if necessary.

Only make conscious and considered decisions!

Luminor Bank AS