



hipocredit

Loan Agreement  
General Terms and Conditions

1. Definitions

<b>Lender's Bank and Account</b>	the Lender's Bank and Account specified in the Basic Terms and Conditions or in the Invoice sent to the Borrower.	<b>Contractual Payments</b>	the payments made by the Borrower or any third party to the Lender, including the Loan issuance fee, any payments of the principal amount of the Loan, Interest, Contractual Penalty and other payments specified in the Agreement and pursuant to the Price list.
<b>Loan Request</b>	an application of the Borrower with a request to receive a Loan from the Lender pursuant to the terms and conditions of the Agreement prepared in accordance with the Section 2 of the General Terms and Conditions in the Customer Service Center, Website or at the Cooperation partners.	<b>Agreement</b>	this loan agreement concluded between the Borrower and the Lender with all its appendices and amendments.
<b>Loan</b>	received and outstanding amount of the Loan.	<b>Contractual Penalty</b>	contractual penalty specified in the General Terms and Conditions, which in the situations specified in the Agreement until the termination thereof is calculated on failure to fulfill or delay in fulfillment of the obligations specified in the Agreement.
<b>Borrower</b>	The person or persons specified in the Basic Terms and Conditions. If more than one person is specified in the Basic Terms and Conditions, the term "Borrower" shall include the plural, such persons shall be jointly and severally liable for the performance of obligations under this Agreement and the Lender shall have the right to demand performance of all obligations from all Borrowers or only some or one.		
<b>Amortization Method</b>	the payments of the principal amount of the Loan are equal in all months of the Loan repayment.	<b>Website</b>	the Lender's website with the address <a href="http://www.hipocredit.lv">www.hipocredit.lv</a>
<b>Annuity Method</b>	the total amounts of the payments of the principal amount of the Loan and Interest payments are equal in all months of the Loan repayment.	<b>Cabinet Regulations:</b>	The existing Cabinet Regulation No. 691 Regulations Regarding Consumer Credit.
<b>Bullet Method</b>	the Loan is repaid in one payment on the last repayment day of the Loan.	<b>Notary expense</b>	The notary costs related to the registration of the mortgage specified in the General Terms and Conditions which, upon concluding an Agreement, shall be covered by the Borrower.
<b>Price list</b>	Effective price list of the Lender's services.	<b>Basic Terms and Conditions</b>	part I of the Agreement.
<b>Annual Percentage Rate (APR):</b>	The total loan costs for the Borrower specified in the General Terms and Conditions and calculated in accordance with the Cabinet Regulations upon concluding the Agreement, expressed as annual percentage rate of the Loan Amount. The assumptions used to calculate the APR.	<b>Assumptions:</b>	The assumptions used to calculate the APR in accordance with the Cabinet Regulations: (A) The Borrower shall repay the Loan and Interest in equal monthly payments, to be repaid starting one month after the first operational day of the Agreement, (b) The Borrower shall pay the Lender the Loan Issue Commission Fee upon the day of concluding the Agreement, and (c) after the final payment the potential Loan, Interest and any other of the Agreement-based payment balance shall be extinguished. APR calculation does not consider the Agreement penalties.
<b>Schedule</b>	a payment schedule of the principal amount of the Loan and Interest.	<b>Interest</b>	compensation for the use of the Loan.
<b>Method for the preparation of Schedule</b>	Annuity, Amortization or Bullet Method.	<b>Interest rate</b>	fixed interest rate specified in the Basic Terms and Conditions.
<b>Customer Service Center</b>	The Lender's unit, providing the Lender's services.	<b>Party/-ies</b>	the Borrower and/or the Lender.
<b>Total amount payable by the Borrower</b>	The amount specified in the General Terms and Conditions and calculated in	<b>Co-operation Partner</b>	a natural person or a legal entity wherewith the Lender has concluded a cooperation

	accordance with the Cabinet Regulations upon concluding the Agreement, which consists of the Loan amount, and all the costs payable by the Borrower and on the date of conclusion of the Agreement known to the Lender (including Interest and Loan Issue Commission Fee).		agreement on provision of the Lender's services to clients.
<b>Legal Interest</b>	interest established pursuant to effective laws and regulations, the size whereof at the conclusion moment of the Agreement is 6% per annum, and which is calculated after the termination of the Agreement.	<b>Affiliate</b>	a company of the Lender's group, other company or enterprise, which has directly or indirectly gained a significant interest in the share capital of the Lender, or wherein the Lender has gained direct or indirect interest.
<b>General Terms and Conditions</b>	part II of the Agreement.		

## 2. Loan Request and issue of the Loan

2.1. The Borrower for the conclusion of the Agreement submits to the Lender a Loan Request, by completing it in the Customer Service Center, on Website or at the Cooperation Partner, as well as any other information on the Borrower and/or Collateral upon the Lender's request, which is necessary for the evaluation of the Loan Request.

2.2. The Lender shall make a decision on issuing of the Loan and inform the Borrower thereof.

2.3. The Agreement shall be considered as concluded when both Parties have signed it.

2.4. The Lender is entitled to refuse the issue of the Loan to the Borrower, informing the latter thereof. The Lender is not obligated to justify its refusal to issue the Loan. If the refusal to issue the Loan is justified by the information obtained in the debtors' data base, the Lender immediately and free of charge shall inform the Borrower regarding this fact and the information in the used data base.

## 3. Issue of the Loan amount

3.1. The Lender shall issue the Loan amount to the Borrower, transferring it to the Borrower's account or other account according to the procedure for issuing the Loan within 2 (two) business days from conclusion of the Agreement and fulfillment of the conditions specified in Section 13 of the Basic Terms and Conditions. Once the above transfer is made, it shall be considered that the Borrower has received the Loan amount.

3.2. The Lender is entitled to refuse the issue of the Loan amount to the Borrower, if the Lender has established any of the below conditions:

3.2.1. the Borrower fails to fulfill the obligations specified in the Agreement or other agreement concluded with the Lender or Affiliate;

3.2.2. the Lender has in its possession the information raising suspicions regarding the ability or intention of the Borrower and/or Guarantor to fulfill its obligations;

3.2.3. registrations in favor of third parties have been made in respect of the Collateral that could interfere with the use of the Lender's pledge rights.

## 4. Contractual Payments

4.1. The Borrower shall repay the Loan to the Lender and pay the Interest pursuant to the terms and conditions of the Agreement and the Schedule. The Lender shall prepare and send to the Borrower invoices for the Contractual Payments. If the Borrower has not received an invoice, it shall not be released from the obligation to make a payment. The Borrower in this situation shall make a payment pursuant to the Schedule.

4.2. The Lender shall send a Schedule to the Borrower to its e-mail address within 5 (five) business days after the issue of the Loan amount, as well as after the changes to the Interest rate. It shall be considered that the Borrower has received the Schedule on the 3rd (third) day after the expiration of the above term, familiarized itself with this document and accepted it, if the Borrower within 10 (ten) business days after the issue of the Loan amount has not turned to the Lender with a written request to be provided with the Schedule.

4.3. The Borrower shall make the payments by transferring the funds to the Lender's account. The payment made by the Borrower shall be considered as completed at the moment when it was received in the Lender's account.

4.4. The Borrower by transfer funds pursuant to the Agreement has an obligation to specify the number of the Agreement or invoice in the purpose for the transfer.

4.5. If the Borrower makes a payment in violation of the provisions of Clause 4.4. of the General Terms and Conditions, the Lender may consider such payment as outstanding until its identification.

4.6. If the deadline of the contractual payment falls into weekend or a holiday, the payment shall be made on the next business day following the day when the contractual payment was due.

4.7. The Borrower may repay the Loan or a part thereof prior to the deadline specified in the Schedule, or unilaterally terminate the Agreement and make the Contractual Payments in full amount prior to the deadline specified in the Schedule. The Borrower repaying the Loan in full amount must also make all payments due to the Lender pursuant to the Agreement, including the Contractual Penalties in the situations specified in the Agreement for the time period until the moment, when the Borrower has fully settled all of its loan obligations pursuant to this Agreement. The Lender shall issue an invoice to the Borrower for the outstanding amount after the receipt of the Borrower's application regarding unilateral termination of the Agreement, which the Borrower shall pay within 3 (three) business days from the date of its issue.

4.8. The Borrower has the right to request and the Lender within 3 (three) business days after the date of receipt of the request by the Borrower is obliged to provide the Borrower information (in paper or electronically to the Borrower's e-mail address) necessary for considering an early total or partial Loan repayment, free of charge. The information mentioned shall provide an assessment of the implications of early fulfilment of the contractual obligations for the Borrower, and clearly set out all the assumptions applied.

4.9. If any taxes or dues come in force during the validity period of the Agreement, or the circumstances out of the Lender's control take place obligating the Lender to make additional payments or reduce the payments related to the Agreement, the Lender shall inform the Borrower regarding such changes in writing 30 (thirty) days in advance, by sending the information on changes to the Borrower. The Lender is entitled to accordingly increase or reduce Contractual Payments, by informing the Borrower on the changes pursuant to this paragraph and sending the respective invoice or a new Schedule to the Borrower.

4.10. The Lender shall prepare the invoices for the Contractual Payments in electronic format, and they are valid without a signature and seal. The invoices shall be sent to the Borrower upon the Lender's choice either to the e-mail address specified in the Agreement or by mail to the residence address of the Borrower specified in the Agreement.

4.11. The Borrower shall cover all costs related to the registration of the mortgage, its renewal, amendments to the terms and conditions and deletion in the land register (including the state and chancellery fee, notary fee, costs of examination the State Uniform Computerized Land Register data base, etc.).

## 5. Interest

5.1. The Borrower shall pay the Interest to the Lender for the Loan for the entire period of the actual use of the funding until the termination of the Agreement. If the Loan was not repaid after the termination of the Agreement, the Borrower shall continue to pay the Legal Interest to the Lender.

5.2. Interest, Legal Interest and Contractual Penalty shall be calculated, assuming that the year consists of 360 (three hundred and sixty) days.

## 6. Borrower's rights and obligations

6.1. The Borrower has a responsibility to use the funds provided by the Lender only for the purpose of the Loan.

6.2. The Borrower may not dispose of, mortgage or otherwise encumber the Collateral or a part thereof, and without a written consent of the Lender may not transfer the Collateral for the use of a third party. Third parties for the purpose of this paragraph shall not be the spouse, minor children and parents of the Borrower.

6.3. The Borrower shall ensure an opportunity for the Lender at any time to inspect the condition of the Collateral, by receiving a 3 (three) day notice from the Lender.

6.4. The Borrower shall ensure that any mandatory payments and costs related to the Collateral, including the real estate tax, payments for the public utility services, management and maintenance costs are paid timely and in full amount.

6.5. The Borrower shall ensure that the Collateral is kept in good order pursuant to the requirements of the laws and regulations, and its condition is not being deteriorated. Natural wear and tear of the Collateral is not considered as deterioration of its condition.

6.6. The Borrower has an obligation to inform the Lender in writing immediately, but no later than 5 (five) days, if:

6.6.1. the name, last name, mail or e-mail address of the Borrower changes;

6.6.2. the insolvency procedure of the Borrower was initiated by the court judgment.

6.7. The Borrower shall unconditionally fulfill the contractual obligations and assume the risk of default consequences and incidents in relation thereof. Risk of incidents is assumed by the Borrower only if the Borrower acts in contrary to the laws and regulations or the terms and conditions of the Agreement.

6.8. The Borrower acknowledges that the conclusion of the Agreement does not violate the rights of the third parties, laws and regulations, permits, judgments or instructions of the court or a competent authority binding to the Borrower.

6.9. The Borrower shall authorize the Lender to provide the information related to the Agreement to the Pledger or Guarantor.

## **7. Insurance**

7.1. The Borrower guarantees that an insurance agreement of the Collateral is in effect for the entire duration of the Agreement, submitting a new insurance policy to the Lender no later than 5 (five) days prior to expiration of insurance agreement: (a) by sending a scanned insurance policy to the e-mail address of the Lender specified in the Agreement or (b) submitting a copy of the insurance policy in the Customer Service Center, by presenting an original.

7.2. The insurance policy shall list the Lender as the beneficiary.

7.3. The Borrower shall coordinate the insurance company and terms and conditions with the Lender, submitting the terms and conditions of the new insurance policy to the Lender for coordination no later than 10 (ten) days prior to expiration of the insurance agreement. The Lender within 5 (five) days from the receipt of the terms and conditions of the new insurance policy reviews them and provides a reply to the Borrower.

7.4. If the insurance agreement of the Collateral prescribes that the Borrower pays the insurance premium in installments, the Borrower no later than 5 (five) days prior to the deadline of each payment submits to the Lender in the Customer Service Center a document confirming a completion of such payment.

7.5. If the Borrower has failed to comply with the requirements of Clause 7.1. of the General Terms and Conditions, the Lender may insure the Collateral for the period at its own discretion. The Borrower in this situation has an obligation no later than within 10 (ten) days after sending of the Lender's invoice to reimburse to the Lender its paid insurance premium pursuant to the invoice submitted by the Lender to the Borrower.

7.6. If the insurance indemnity is received, the Borrower may turn to the Lender with its proposal for the use of the received insurance indemnity. The Lender shall use the received insurance indemnity for the settlement of the Borrower's debt obligations or restoration of the Collateral. If the paid out insurance indemnification is not sufficient to satisfy the Borrower's debt obligations, the Borrower has an obligation within 5 (five) business days from the receipt of the insurance indemnity to pay the difference to the Lender.

7.7. If the paid out insurance indemnity exceeds the total amount of the Borrower's debt obligations, the Lender shall pay the difference to the Borrower providing that the Borrower does not have any debts arising from other agreements concluded between the Lender and the Borrower. If the Borrower has the debts arising from the other agreements concluded with the Lender, the aforementioned difference is used to pay these debts.

## **8. Fulfillment of obligations**

8.1. The fulfillment of the contractual obligations takes place in the currency specified in the Agreement. If the Borrower is making a payment in a different currency, the Lender may at its own choice exchange the relevant amount to the currency specified in the Agreement based on currency exchange commercial rate of the credit institution selected by the Lender or based on the currency exchange rate of the Bank of Latvia on the day of receiving the payment. If the Borrower's payment after exchange of the respective amount fails to

cover the regular payment pursuant to the Schedule, the Borrower shall pay the respective debt within 3 (three) business days from the day of making the payment. Any costs related to the transfer of funds, payments, etc. are paid by the Borrower.

8.2. The Agreement shall be in force until the complete fulfillment of the obligations specified therein and shall be deemed completed when the Borrower has made all payments due to the Lender based on this Agreement.

8.3. The obligations specified in the Agreement shall be deemed as timely fulfilled, if the fulfillment has taken place no later than on the last day for the fulfillment of obligations. The payment obligation shall be fulfilled at the moment when the payment amount is transferred into the Lender's account.

8.4. The Agreement in event of any circumstances specified in Clause 11.2. of the General Terms and Conditions shall be deemed as terminated on the day when the Lender has sent to the Borrower a notice on the termination of the Agreement.

## **9. Withdrawal Rights**

9.1. The Borrower within 14 (fourteen) days after the date of conclusion of the Agreement may use the withdrawal rights and withdraw from the Agreement without any justification for withdrawal. The Parties agree that the withdrawal period specified in this paragraph shall expire as of the moment when a mortgage is registered in the Land Register as Collateral for the Lender.

9.2. The Borrower shall notify the Lender of exercising the withdrawal rights by mailing a completed and signed withdrawal form to the Lender's registered office or sending an e-mail the Lender's e-mail address specified in the General Terms and Conditions.

9.3. Use the link to the Website to download the withdrawal form <https://www.hipocredit.lv/media/Hipocredit%20Atteikuma%20veidlapa.pdf>.

9.4. The Borrower within 30 (thirty) days from the date of sending the notification of exercising the withdrawal rights, is obliged to repay the Loan to the Lender, pay the accrued Interest and pay a compensation for non-refundable payments the Lender has carried out for a public entity (if any).

9.5. In the event of exercising the withdrawal rights of the Borrower, the Loan Issue Commission Fee and the costs related to the registration of the mortgage in the Land Register, shall not be repaid. The Borrower shall bear all costs related to the Loan, accrued Interest and pay the Lender a compensation for non-repayable costs the Lender has carried out for a public entity (if any).

## **10. Liability**

10.1. The Lender for the delay in making the payments until the fulfillment of obligations or termination of the Agreement may apply to the Borrower a Contractual Penalty of 0.5% (zero point five per cent) from the outstanding principal amount of the Loan and Interest for each day of delay, but not exceeding 10% (ten per cent) from the Loan, and the Legal Interest after the termination of the Agreement.

10.2. The Lender may apply the Contractual Penalty of 5% (five per cent) from the Loan amount to the Borrower for the violation of Clauses 6.1., 6.2., 6.4., 6.5. or 7.1. of the General Terms and Conditions.

10.3. The payment of the Contractual Penalty specified in the Agreement will not release the Borrower from the fulfillment of the obligations specified in the Agreement.

## **11. Validity period of the Agreement and early termination**

11.1. The Agreement shall come in force from the moment of its signing and is concluded for the term of the Loan specified in the Basic Terms and Conditions.

11.2. The Lender may unilaterally terminate the Agreement by informing the Borrower in writing in the following events:

11.2.1. the Borrower misses the deadlines for the payment of the principal amount of the Loan or Interest specified in the Schedule by more than 60 (sixty) days;

11.2.2. the Borrower more than 3 (three) times per annum misses the deadlines for the payment of the principal amount of the Loan or Interest specified in the Schedule, each time in excess of 30 (thirty) days;

11.2.3. a debt recovery procedure is initiated against the Collateral in favor of a third party pursuant to an effective court decision;

11.2.4. a recovery procedure is initiated against the Guarantor in favor of a third party for the claims the total amount whereof exceeds 25% (twenty-five per cent) of the Loan amount pursuant to an effective court decision.

11.2.5. The Borrower has not used the Loan amount for the purpose of the Loan specified in the Agreement.

11.3. If the Lender has unilaterally terminated the Agreement early, the Borrower has an obligation upon the first request of the Lender to make

an early payment of all amounts due to the Lender pursuant to the Agreement, including the Contractual Penalties in the situations specified in the Agreement. The Lender shall issue an invoice to the Borrower for the outstanding amount, which the Borrower shall pay within 3 (three) business days from the date of its issue.

## 12. Other terms and conditions

12.1. The Lender within 3 (three) business days after the Borrower's request shall send free of charge to the e-mail address of the Borrower specified in the Agreement or Loan Request an account statement with the loan repayment table, wherein the explanation of the payments related to the Loan repayment is provided, showing the repayment of the total amount, Interest calculated based on the Interest rate, and any additional costs, if provided by the Agreement.

12.2. The Borrower may receive the following documents by appearing in the Customer Service Center and coordinating a mutually acceptable time for the meeting: (a) draft Agreement in writing, and (b) information on the results yielded by the use of the database/databases, if the refusal to issue the Loan is justified by the Lender with the information obtained therein.

12.3. If the Borrower requests the Lender to provide a written information on the history of the fulfillment of the Borrower's obligations to the Lender, the Lender shall prepare the requested written information in the period not exceeding 3 (three) business days, and the Lender may request from the Borrower any costs related to preparation and /or sending of the written information, but not exceeding EUR 30 (before VAT) for each such written information. The Lender shall provide the information on the Contractual Payments made pursuant to the Agreement (statement of payments) in the period not exceeding 3 (three) business days without requesting the payment specified in this paragraph.

12.4. If the representation of the numbers in words in the text of the Agreement differs from the representation in numbers, the representation of the numbers in words shall prevail. If the Basic Terms and Conditions contradict with the General Terms and Conditions, the Basic Terms and Conditions shall prevail.

12.5. Monitoring authority: Consumer Rights Protection Center, Brivibas Street 55, Riga, LV-1010.

12.6. All notices of the Parties shall be prepared in writing in Latvian and sent to other Party by mail, fax or e-mail to the address and/or e-mail address or fax number of the Borrower specified in the Agreement or Loan Request. Correspondence sent by mail shall be deemed received on the 5th (fifth) calendar day following the date indicated on the stamp by the postal service provider of Latvia on the acceptance of a registered letter.

12.7. The Lender is entitled to process the Borrower's personal data (registered in the Data State Inspectorate), as well as to hand over to and receive the Borrower's personal data and other information from third parties, databases, registries (such as the Population Register, State Social Insurance Agency, Land Registers, etc.) and to process it, the purpose whereof is the recording of clients and offering, provision and maintenance of the services. The Borrower agrees to data processing and receipt and sending of the Borrower's data to providers of the debt collection services, including, but not limited to SIA Creditreform Latvijā, unified registration number 40003255604, Lindorff Oy Latvian branch, unified registration number 40003514990, SIA Paus Konsults, unified registration number 40003352670, SIA Julianus Inkasso Latvia, unified registration number 40003717522, UAB Gelvora branch in Latvia, unified registration number 40103208983, SIA Sergel, unified registration number 40103183181, and SIA Konsultatīvā sabiedrība Conventus, unified registration number 40003428538, SIA Creditinfo Latvia, unified registration number 40103239517, not only in respect of the properly, but also on inadequately fulfilled obligations of the Borrower. The Lender is entitled to provide the information on the Borrower to Affiliates and personal data operators registered in the Data State Inspectorate of personal data processing systems, the supervisor whereof is the Lender, insofar as such information is necessary for the performance of functions delegated to them.

12.8. The Borrower agrees that the Lender uses the Borrower's e-mail address and/or phone number specified in the Agreement for sending of commercial materials on the products offered by the Lender or Affiliates or their organized campaigns.

12.9. The Lender is authorized to call and send text messages (SMS) to the telephone number having the connection of a mobile communications operator as indicated by the Borrower, to send e-mails to the e-mail address indicated by the Borrower, as well as to dispatch mail to the Borrower's mailing address to reach the Borrower.

12.10. The Borrower agrees to the Lenders rights to transfer (assign) the claims arising from the Agreement or a part thereof to unlimited number of third parties. The Borrower will not object that the Lender in such situation releases to third parties all information arising from the

Agreement. The Borrower agrees and understands that the Lender does not have the obligation to inform the Borrower on the assignment of the Lender's claims arising from the Agreement to third parties.

12.11. The Borrower agrees that by assigning the claims arising from the Agreement or a part thereof to third parties, such third parties (assignors) may further assign the assigned claims or a part thereof to an unlimited number of the third parties. Third parties (assignors) in this case have the same rights to disclose to the third parties the information arising from the Agreement, as well as the information on the Borrower and the Collateral as specified for the Lender pursuant to the Agreement, and do not have an obligation to inform the Borrower of such assignment.

12.12. The Borrower agrees that in event of assignment of the claims arising from the Agreement, the Lender may, but is not obligated to continue to service the Contractual Payments and Collateral arising from the Agreement in favor of the new creditors, acting as the agent (proxy holder) of the creditors pursuant to the information specified in Section 18 of the Civil Law. If the Lender continues to service the Contractual Payments arising out of the Agreement, the Borrower shall continue to make the Contractual Payments to the Lender's account or any other account specified in the Lender's notice to the Borrower. Additionally, the Borrower agrees that the Lender is not obligated to inform the Borrower of the fact that the Lender continues to act as the agent (proxy holder) of the creditors. If the Lender assigns the claims arising from the Agreement to third parties, not continuing to service the Contractual Payments and Collateral arising from the Agreement, the Borrower shall continue to make the Contractual Payments to the accounts of the new creditors specified in the Lender's notice to the Borrower.

12.13. The Borrower agrees that the Lender, by offering (advertising) to third parties a possibility to assign to them the claims arising from the Agreement, is entitled to publicly disclose to third parties, including place on the Website the following information related to the Borrower and Collateral: monthly net income, costs, credit history of the Borrower, the type, address, area, value and photo of the Collateral and other information related to the Borrower and Collateral. The Lender by publicly expressing (advertising) a possibility to assign the claims arising from the Agreement shall undertake not to disclose publicly the name, last name, personal ID No., phone number, e-mail address and image of the Borrower.

12.14. All amendments and supplements of the Agreement shall be valid only if they are prepared in writing and signed by the Parties.

12.15. The Borrower may not fully or partially transfer the rights and obligations specified in the Agreement, as well as the claims arising from the Agreement to third parties without a written consent of the Lender.

12.16. Disputes between the Parties in relation to the Agreement shall be resolved in the court institutions of the Republic of Latvia pursuant to the effective laws and regulations of the Republic of Latvia.

12.17. The Agreement shall be drawn up and signed in 4 (four) copies, one of which shall be kept by the Borrower, two by the Lender, and one for submission to the Land Register. All the copies of the Agreement are of equal legal force.