

Approved by  
Resolution N 179/02-15.09.22  
The Executive Board of ARMECONOMBANK  
Dated 15 September 2022  
Chairman of the Executive Board  
----- A. Khachatryan

*Publication date: "17" "September" 2022*  
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*For more information -www.aeb.am,*  
*Tel: (37410)8686, (37410)51-09-10 (9104) - Information Desk*



INFORMATION BULLETIN  
OF MORTGAGE LOANS

1. Name: ARMENIAN ECONOMY DEVELOPMENT BANK OPEN JOINT-STOCK COMPANY  
 Address: 23/1 Amiryan Str., Yerevan, Republic of Armenia, 0002  
 Email: bank@aeb.am  
 Website: www.aeb.am  
 Telephone: (37410)8686, (37410)51-09-10 (9104)  
 Fax: (37410) 53-89-04

<b>HOUSING FOR YOUNG FAMILIES</b>			
<b>Loan type</b>	Mortgage loan granted for the acquisition of residential real estate within the framework of "Affordable housing for young families " national target program		
<b>Loan purpose</b>	Residential real estate acquisition		
<b>Loan currency</b>	AMD		
<b>Loan amount</b>	Primary market	Secondary market	
	AMD 1.000.000-27.750.000	AMD 1.000.000-22.500.000	
<b>Annual interest rate (fixed)</b>		Secondary market	Primary market
	Loan to pledge value ratio (the market value of the property to be acquired or the minimum of the acquisition value and the market value of the additional property shall be taken as a basis for the pledge value)	Annual interest rate	
	Up to 70% inclusive	6.8%	7.5%
	70-92.5% inclusive With the exception of rural areas of RA, the loan to pledge value of which is defined maximum 70%	7.3%	
<b>Annual actual interest rate</b>	In case of primary market- 8.48-10.5% In case of secondary marker- 3.81-8.32%		
<b>Subsidized interest rate</b>	Within the framework of the state target program "Affordable apartments for young families", the government will provide subsidies only in case of acquiring an apartment / dwelling from the secondary market. <ul style="list-style-type: none"> <li>In case of acquiring real estate in Yerevan city -2%</li> <li>In case of acquiring real estate in the regions of the RA -4%</li> </ul>		
<b>Loan term</b>	from <b>120</b> up to <b>240</b> months		
<b>Prepayment</b>	<ul style="list-style-type: none"> <li>In case of primary market minimum 20% , secondary market -30%, or</li> <li>Minimum 7.5% for primary market and 10% for secondary market, if another residential real estate is pledged by the Borrower in addition to the residential property or apartment to be acquired or advance insurance in the amount exceeding 80% in case of primary market and 70% in case of secondary market is available.</li> </ul>		
<b>Redemption frequency</b>	Monthly		
<b>Loan redemption procedure</b>	Monthly, equally (annuitant), or Non-equally (differential).		
<b>Security</b>	Acquired Real Estate (if necessary other residential real estate, which shall be co-borrower's property)		
<b>Loan to pledge value ratio</b>	<ul style="list-style-type: none"> <li>In case of primary market - maximum 80% of acquired real estate market and acquisition minimum value , in case of secondary market- 70%,</li> <li>The maximum amount can be in the amount of 90% of the market and acquisition minimum value of residential property to be acquired, if another residential real estate is pledged by the borrower, moreover in case of collateral of the residential real estate to be acquired and an additional real estate, the amount of the loan shall not exceed 80% of the total market value of pledged real estate, in case of acquisition of an apartment from the primary market, and 70% in case of acquisition of an apartment from the secondary market, or a prepayment insurance</li> </ul>		

	exceeding 70% of the amount ( in case of primary market- 80%) is available .
<b>Way of granting</b>	Cash and cashless
<b>Loan application study fee</b>	<ul style="list-style-type: none"> <li>• AMD 5000 for the study of the loan application which is non-refundable,</li> </ul>
<b>Loan arrangement is realized</b>	<p>ARMECONOMBANK” OJSC head office and branches. <b>With an exception of Nairi MC, Rossia-1 and Araratyan branches.</b></p> <p>The loan is presented to the competent body if the applicant credited minimum 80% of the difference of assessed market value of the real estate (if the acquisition value is less than the acquisition value) to be acquired and the loan amount to be provided to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.</p>
<b>Decision period</b>	Up to 20 business days (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)
<b>Requirements to Borrower</b>	<ul style="list-style-type: none"> <li>• The total age of spouses should not exceed 70.</li> <li>• Single parent whose age does not exceed 35.</li> <li>• The net income of the borrower must not exceed AMD 800.000</li> <li>• Neither of the spouses shall own a residential real estate more than 18 square meters within RA territory.</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs vary from 0.16% to 0.18% of the loan balance.</li> <li>• Insurance for accidents of the Borrower and Co-borrowers is realized by the customer (except the co-borrowers having no income) in the insurance company licensed by RA CB, according to the tariff determined by the latter minimum in the amount of the loan balance. The tariffs vary from 0.16% to 0.18% of the loan balance.</li> </ul> <p>The annual insurance premium on prepayment is calculated at the rate of 1.8% of the insurance amount (the tariff is applied if the customer signs or renews insurance contracts with “SIL Insurance” ICJSC on the insurance of the real estate to be acquired and for accidents of the Borrower and Co-borrowers, otherwise 2% tariff will be defined).</p>
<b>Real estate appraisal</b>	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank at the tariff determined by the assessment organization- AMD 20.000
<b>Expenses related to the collateral arrangement</b>	<p>The borrower shall bear all collateral arrangement expenses (notarization, registration of the real estate in subdivisions of Cadastral territory)</p> <ul style="list-style-type: none"> <li>• Notary fee - AMD 15.000-25.000</li> <li>• Joint reference (on restrictions against real estate) - AMD 10.000</li> <li>• Certificate on the registration of right over real estate- AMD 27.000-75.000</li> </ul>
<b>Encashment fee</b>	In case of encashment of the loan amount, encashment fee is charged per the tariffs set by the Bank*.
<b>Penalties</b>	Against the amounts (loan, interest, and other fees) not paid within the term/s/ set forth by the Agreement a penalty at 0.13 percent of the overdue amount is defined for each overdue day (daily).
<b>Acquired real estate</b>	The purchase price of a residential property (apartment, residential house) purchased in the Republic of Armenia should not exceed 30 million drams for the primary market and AMD 25 million for the secondary market, and at the same time the estimated value should not exceed 31 million and 26 million AMD respectively.
<b>Positive decision grounds</b>	<ul style="list-style-type: none"> <li>• Positive credit history (if any)</li> <li>• Credibility of the presented documents</li> <li>• Stable source of income</li> <li>• Availability of acceptable collateral</li> <li>• Compliance with "Affordable housing for young families" state purpose project criterion.</li> </ul>
<b>Negative decision grounds</b>	<ul style="list-style-type: none"> <li>• Negative assessment of customers financial state</li> <li>• Non-credibility of the presented documents</li> </ul>

	<ul style="list-style-type: none"> <li>• Inadequacy of the "Affordable housing for young families" state purpose project criterion.</li> <li>• Customer's negative loan history</li> <li>• Other reasons that will hamper the loan repayments according to the Bank assessment.</li> </ul>
<b>Provision of extract</b>	<b>Free of charge</b>
<b>Documents submitted by individuals</b>	<ol style="list-style-type: none"> <li>1. Passport copies, as well as those of the family members</li> <li>2. Copies of Borrower's and husband's(wife) birth certificates</li> <li>3. Marriage certificate copy (if any),</li> <li>4. Statement from the workplace (if necessary, information about the amount of net wages paid during the last 12 months, income tax, social security payments and the copies of work books)</li> <li>5. Statements from personal accounts of individual borrower(s) and co-borrower(s) from tax authorities</li> <li>6. Document containing public services number:</li> <li>7. Copy of property certificate (copy of the document serving as a basis of acquired apartment certificate, if necessary),</li> <li>8. Statement claiming that the present apartment is not under barrage (the original and 1 copy) <u>to be presented after the confirmation of the loan.</u></li> <li>9. Passport copy of the vendor (proprietors)</li> <li>10. Statement about the registered persons from the vendor's residence (3rd form).</li> <li>11. Diploma copy (if necessary).</li> <li>12. Statement from the cadastre information center about the applicant's and husband's(wife) real estate</li> <li>13. Other documents, if necessary</li> </ol>

\*To get acquainted with the tariffs of the Bank, please visit the link - [https://www.aeb.am/hy/business\\_cash/](https://www.aeb.am/hy/business_cash/)

**Attention!**

In the case of refinancing mortgage loans being refinanced within the framework of this decision, if refinancing is refused or refinancing is stopped, the loan interest rate is set at 14% per year, except for loans of the state support program for energy-efficient renovation of apartments and individual residential houses in the territory of RA, in which case the interest rate does not change.

**Attention!**

A Co-borrower can be one or more members of the Borrower's family.

**Attention!**

Early loan repayment is allowed for which no penalties and fees are charged.

At the customer's choice, the Bank

- reduces the size of monthly payments in proportion of early paid amount leaving the loan repayment date unchanged
- reduces the loan repayment term leaving the monthly payments unchanged.

**Attention!**

In case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement, the borrower may lose his/her right of ownership over the property.

**Attention!**

The mortgage agreement shall be verified by notary.

**Attention!**

The number of total overdue days on the borrower's and co-borrower's all loans /acting and repaid/ shall not exceed 30 calendar days within the last 12 months.

**Attention!**

Interest is calculated on the loan balance.

**Attention!**

After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer, provides the consumer with an individual leaflet, which defines essential terms of the mortgage loan, tariffs, the rights and obligations of the consumer, and the negative consequences in case of non-fulfillment of the obligations when due applicable for the given consumer in case of conclusion of the mortgage agreement.

**Attention!**

“Your Financial Informant” is an electronic system which compares the search of services offered to individuals and facilitates the selection of the most effective option for you- <https://www.fininfo.am/compare-mortgage-loan>

**Attention!**

Before signing the loan agreement (7 days prior) the Bank provides the offer and project on the signing of the loan agreement to the borrower.

The offer of the loan agreement conclusion is effective 7 working days (thinking time) unless otherwise envisaged by the proposal.

**Attention!**

To get acquainted with the tariffs of other services rendered within the framework of execution of loan operations, please visit the following link: [www.aeb.am/media/2019/10/3044.pdf](http://www.aeb.am/media/2019/10/3044.pdf)

<b>MORTGAGE LOAN (ACQUISITION)</b>		
<b>Loan type</b>	Mortgage loan	
<b>Loan purpose</b>	Residential real estate acquisition	
<b>Loan currency</b>	AMD,	
<b>Loan amount</b>	✓ In case of AMD loans- from AMD 1.000.000 to AMD 100 mln.	
<b>Annual interest rate</b>	<i>Fixed adjustable interest rate for the mortgage loans in AMD</i>	
	Loan to pledge value ratio	Up to 70% inclusive
		70-90% inclusive
	Annual nominal interest rate	14% for the first 36 months
		14.5% for the first 36 months
		After 36 months, the interest rate is changed per the below mentioned calculation: AI=FI + VI Where: AI – Fixed adjusted interest rate FI- Fixed component VI- Variable component
Loan minimum amount	AMD 1.000.000-100.000.000	
Actual interest rate	13.82-16.75%	
<b><i>In case of AMD loans provided within the framework of cooperation with "National Mortgage Company" RCO CJSC:</i></b>		
Loan amount	Loan to pledge value ratio	Annual interest rate <sup>1</sup>
AMD 1.000.000 up to AMD 35.000.000	Up to 70% inclusive	11%
	70-90% inclusive	11.5%

The mortgage interest rate of loans in the amount from AMD 35,000,000 to AMD 60.000.000	Up to 70% inclusive	12.5%
	Up to 70-90% inclusive, except for rural settlements of RA, whose loan/collateral ratio is set at a maximum of 70%	13%

<b>Annual actual interest rate</b>	AMD – 12.44-14.74%
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<b>Loan term /month/</b>		AMD
	Fixed interest rate	120-240
	Fixed adjustable interest rate	120-240

<b>Loan redemption frequency</b>	Monthly
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<b>Loan redemption procedure</b>	Monthly- equally (annuitant), or Non-equally (differential).
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<b>Security</b>	Acquired Real Estate (if necessary other residential real estate)
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<b>Prepayment</b>	<table border="1"> <tr> <td>In case of the lending with own resources</td> <td>In case of the lending with own resources</td> </tr> </table>	In case of the lending with own resources	In case of the lending with own resources
In case of the lending with own resources	In case of the lending with own resources		

	<table border="1"> <tr> <td>(AMD)</td> <td>(AMD)</td> </tr> <tr> <td>30%</td> <td>30%</td> </tr> <tr> <td>10% if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate</td> <td>10% a. if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate b. Prepayment insurance in the amount exceeding 70% loan to pledge value is available</td> </tr> </table>	(AMD)	(AMD)	30%	30%	10% if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate	10% a. if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate b. Prepayment insurance in the amount exceeding 70% loan to pledge value is available
(AMD)	(AMD)						
30%	30%						
10% if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate	10% a. if in addition to the residential real estate to be acquired another residential real estate is pledged by the borrower, moreover the amount of the loan cannot exceed the 70% of the total market value of the pledged real estate b. Prepayment insurance in the amount exceeding 70% loan to pledge value is available						
<b>Loan to pledge value ratio</b>	<ul style="list-style-type: none"> <li>• Maximum- minimum 70% of the market and acquisition value of the acquired real estate.</li> <li>• In case of AMD mortgages, the maximum loan amount can be at least 90% of the market and acquisition value of the acquired residential property if another residential real estate is pledged by the borrower, moreover the loan amount cannot exceed 70% of the total market value of the pledged real estates, or a prepayment insurance in the amount of exceeding 70% is available.</li> </ul>						
<b>Way of granting</b>	By cash / Cashless						
<b>Loan application study fee</b>	<ul style="list-style-type: none"> <li>• AMD 5000 which is non- refundable.</li> </ul>						
<b>Loan arrangement is realized</b>	<p>“ARMECONOMBANK” OJSC head office and branches. <b>With the exception of Nairi MC, Rossia-1 and Araratyan branches.</b></p> <p>The loan is presented to the competent body if the applicant credited minimum 80% of the difference of the amount of assessed market value of the real estate (if the acquisition value is less than the acquisition value) to be acquired and the loan amount to be provided to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.</p>						
<b>Decision period</b>	Up to 20 business days (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)						
<b>Requirements to Borrower</b>	<ul style="list-style-type: none"> <li>• Resident individual over 18 years old</li> <li>• Registered and living in the Republic of Armenia</li> <li>• Has a constant income source acceptable by the Bank</li> <li>• The borrowers age cannot exceed 65 years as of the set deadline of the loan to be granted</li> </ul> <p>Exceptions may be made for those applications where, if the incomes of the borrower or co-borrowers who are over 65 years old as of the deadline date of the loan are not taken into account, the sum of the net incomes calculated will be greater than or equal to the sum of the payments for the obligations of the borrower and co-borrowers.</p>						
<b>Security</b>	<ul style="list-style-type: none"> <li>• Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs may vary from 0.16-0.18% of the loan balance.</li> <li>• Insurance for accidents of the Borrower and Co-borrowers is realized by the customer (except for the co-borrowers having no income) in the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs vary from 0.16-0.18% of the loan balance.</li> </ul> <p>The annual insurance premium is calculated at the rate of 2% of the insurance amount ( this tariff is valid if insurance certificates on acquired real estate and accidents of the borrower/co-borrowers is signed or renewed by the customer with ‘Sil Insurance’ ICJSC, otherwise the interest rate is set in the amount of 2.7.</p>						
<b>Real estate appraisal</b>	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, at the tariff determined by the assessment organization (AMD 20.000)						
<b>Expenses related to the</b>	All the expenses related to the arrangement of the collateral (notarization, registration of the real estate in subdivisions of Cadastral territory) shall be borne by the borrower						

<b>collateral arrangement</b>	<ul style="list-style-type: none"> <li>• Notary fee - AMD 15.000-25.000</li> <li>• joint reference (on restrictions against real estate) - AMD 10.000</li> <li>• Certificate on the registration of right to real estate- AMD 27.000-75.000</li> </ul>
<b>Acquired real estate</b>	Residential real estate (apartment, residence house) located in RA territory
<b>Penalties</b>	Against the amounts (loan, interest, and other fees) not paid within the term/s/ set forth by the Agreement a penalty at 0.13 percent of the overdue amount is defined for each overdue day (daily).
<b>Encashment fee</b>	In case of encashment of the loan amount, encashment fee is charged per the tariffs set by the Bank*.
<b>Positive decision grounds</b>	<ul style="list-style-type: none"> <li>• Positive credit history (if any)</li> <li>• Credibility of the presented documents</li> <li>• Stable source of income</li> <li>• Availability of acceptable collateral</li> </ul>
<b>Negative decision grounds</b>	<ul style="list-style-type: none"> <li>• Negative assessment of customers' financial state</li> <li>• Non-credibility of the presented documents</li> <li>• Customer's negative loan history</li> <li>• Other reasons that will hamper the loan repayments according to the Bank assessment.</li> </ul>
<b>Provision of extract</b>	<b>Free of charge</b>
<b>Documents to be presented by individuals</b>	<ol style="list-style-type: none"> <li>1. Passport copies, as well as those of the family</li> <li>2. Marriage certificate copy(if any)</li> <li>3. Statement from the workplace (if necessary, information about the paid net salary, income, size of social payments during the last 12 months, and copies of work books).</li> <li>4. Document containing public services number:</li> <li>5. Copy of property certificate (of the acquired apartment) if necessary, copy of the document serving as a basis for certificate provision.</li> <li>6. Statement that the present apartment is not under barrage (the original and 1 copy), <u>to be presented after loan confirmation</u></li> <li>7. Passport copy of the vendor (proprietors),</li> <li>8. Statement from the residence on sale about the registered persons (3rd form)</li> <li>9. Copy of Diploma (if any).</li> <li>10. Other documents, if necessary</li> </ol>

1. These interest rates apply to residential real estate and buy-to-let loans.

2. These interest rates are valid for loans granted for the purpose of acquiring the right to purchase residential real estate from the primary market, and after the state registration of the buyer's ownership right to the property based on the transfer of ownership act and the granting of the final stage of the loan, the effective interest rate is reduced by setting the date of the decision on granting the loan as of now in the amount of the interest rate provided for the purchase of residential real estate within the relevant program in the Bank.

3. The energy efficiency of loans is determined

- In the case of renovation and construction loans, by completing the estimate (energy efficiency assessment tool) located on the website of the National Mortgage Company VMC CJSC (nmc.am),
- In the case of loans for the purchase of real estate from multi-apartment buildings, from the list of energy-efficient buildings available on the website of the National Mortgage Company VMC CJSC (nmc.am).

\*You can familiarize yourself with the current rates in the bank at the following link: [https://www.aeb.am/hy/business\\_cash/](https://www.aeb.am/hy/business_cash/).

**Attention!**

When refinancing mortgage loans within the framework of this decision, if refinancing is refused or refinancing is stopped, the loan interest rate is set at 14% per year, except for loans of the state support program for energy-efficient renovation of apartments and individual residential houses in the territory of the Republic of Armenia, in which case the interest rate does not change.

**Attention!**

A Co-borrower can be one or more member of the Borrower's family.

**Attention!**

Early loan repayment is allowed for which no penalties and fees are charged.

Upon the Customer's choice the Bank:



- Reduces the size of monthly payable amount in proportion to early paid amount leaving the loan repayment term unchanged, or
- Decreases the loan repayment period leaving the size of payable amounts unchanged

**Attention!**

In case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement, the borrower may lose his/her right of ownership over the property.

**Attention!**

The mortgage agreement shall be verified by notary.

**Attention!**

The total number of the overdue days for all the loans of the borrower and co-borrower(s) /acting and repaid/ should not exceed 30 calendar days within the last 12 months.

**Attention!**

Interest is calculated on the loan balance.

**Attention!**

After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer, provides the consumer with an individual leaflet, which defines essential terms of the mortgage loan, tariffs, the rights and obligations of the consumer, and the negative consequences in case of non-fulfillment of the obligations when due applicable for the given consumer in case of conclusion of the mortgage agreement.

**Attention!**

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**Attention!**

Before signing the loan agreement (7 days prior) the Bank provides the proposal and project on the signing of the loan agreement to the borrower.

The Proposal on the loan agreement conclusion is effective 7 working days (thinking time) unless otherwise envisaged by the proposal.

**Attention!**

The floating nominal interest rate can be changed no more than twice a year.

**Attention!**

To get acquainted with the tariffs of other services rendered within the framework of execution of loan operations, please visit the following link: <https://www.aeb.am/media/2019/10/3044.pdf>.

MORTGAGE LOAN (RENOVATION, CONSTRUCTION)		
<b>Loan type</b>	Mortgage loan	
<b>Loan purpose</b>	Residential real estate renovation or construction	
<b>Loan currency</b>	AMD,	
<b>Loan amount</b>	✓ In case of AMD loans -from AMD 1.000.000 up to 100 mln. In case of loans provided for the construction of residential real estate, the maximum amount of the loan shall not exceed 80% of estimate cost of presented construction works.	
<b>Annual interest rate</b>	<i>Fixed adjustable interest rate for the mortgage loans in AMD</i>	
	Loan to pledge value ratio	Up to 70% inclusive      70-90% inclusive
	Annual nominal interest rate	14% for the first 36 months      14.5% for the first 36 months
	After 36 months, the interest rate is changed per the below mentioned calculation: $AI = FI + VI$ Where: AI – Fixed adjusted interest arte FI- Fixed component VI- Variable component	

Loan minimum amount	AMD 1.000.000
Loan maximum amount	AMD 100.000.000

In case of mortgage loans provided in AMD

Loan amount	Loan to pledge value ratio	Annual interest rate*
From AMD 1.000.000 up to AMD 35.000.000	Up to 70% inclusive	11%
AMD 35.000.001-AMD 60.000.000	Up to 70% inclusive	12.5%
Energy-efficient loans in the amount of AMD 35000-45000 <sup>1</sup>	Up to 70% inclusive	11%

In AMD 12.44-14.17%

<b>Annual actual interest rate</b>		AMD
	Fixed interest rate	120-240
	Fixed adjustable interest rate	120-240
<b>Term of the loan/month/</b>	Monthly	
<b>Procedure of redemptions</b>	Monthly- equally (annuitant), or Non-equally (differential).	
<b>Loan redemption procedure</b>	Real estate to be renovated, in case of construction – other residential real estate	
<b>Security</b>	<ul style="list-style-type: none"> <li>In case of renovation maximum 70% of the liquidation value of the residential real estate to be renovated or pledged</li> <li>In case of construction of real estate maximum 70% of the liquidation value of the pledged real estate</li> </ul>	
<b>Way of granting</b>	<p>In stages</p> <ul style="list-style-type: none"> <li>By cash and cashless</li> <li>In case of loans granted for renovation of real estate, maximum 40 calendar days are defined for the use of the amount of each stage.</li> <li>In case of loans granted for the construction of real estate maximum 150 days are defined for the use of the amount of each stage.</li> </ul>	
<b>Loan application study fee</b>	<ul style="list-style-type: none"> <li>AMD 5000 which is non- refundable.</li> </ul>	
<b>Loan arrangement is realized</b>	“ARMECONOMBANK” OJSC head office and branches. <b>Except for Nairi MC, Rossia-1 and Araratyan branches.</b>	
<b>Decision period</b>	Up to 20 business day (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)	
<b>Requirements to Borrower</b>	<ul style="list-style-type: none"> <li>Resident individual over 18 years</li> <li>Registered and living in the Republic of Armenia</li> <li>Has a constant income source acceptable by the Bank</li> <li>The borrowers age cannot exceed 65 years as of the set deadline of the loan to be granted</li> </ul>	
<b>Guarantee</b>	<ul style="list-style-type: none"> <li>Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs vary from 0.16% to 0.18% of the loan balance.</li> <li>Insurance for accidents of the Borrower and Co-borrowers is realized by the customer (except the co-borrowers having no income) in the insurance company licensed by RA CB, according to the tariff determined by the latter minimum in the amount of the loan balance. The tariffs vary from 0.16% to 0.18% of the loan balance.</li> </ul>	
<b>Real estate appraisal</b>	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, according to the tariff determined by the assessment organization (AMD 20.000).	
<b>Collateral arrangement expenses</b>	Collateral arrangement expenses (notarization, registration of the real estate in	

	subdivisions of Cadastral territory) shall be borne by the borrower. <ul style="list-style-type: none"> <li>• Notary fee - AMD 15.000 -25.000</li> <li>• Joint reference (on restrictions against real estate) - AMD 10.000</li> <li>• Certificate on the registration of right to real estate- AMD 27.000</li> </ul>
<b>Positive decision grounds</b>	<ul style="list-style-type: none"> <li>• Positive credit history (if any)</li> <li>• Credibility of the presented documents</li> <li>• Stable source of income</li> <li>• Availability of acceptable collateral</li> </ul>
<b>Negative decision grounds</b>	<ul style="list-style-type: none"> <li>• Negative assessment of customers' financial state</li> <li>• Non-credibility of the presented documents</li> <li>• Customer's negative loan history</li> <li>• Other reasons that will hamper the loan repayments according to the Bank assessment.</li> </ul>
<b>Encashment fee</b>	In case of encashment of the loan amount, encashment fee is charged per the tariffs set by the Bank*
<b>Penalties</b>	Against the amounts (loan, interest, other fees) not paid within the term/s/ set forth by the Agreement a penalty at 0.13 percent of the overdue amount is defined for each overdue day (daily).
<b>Provision of extract</b>	Free of charge
<b>Documents to be presented by individuals</b>	<ol style="list-style-type: none"> <li>1. Passport copies, as well as those of the family members (2 copies)</li> <li>2. Marriage certificate copy (if any).</li> <li>3. Statement from the residence.</li> <li>4. Statement from the workplace (if necessary, information about the paid net salary, income, size of social payments during the last 12 months, and copies of work books).</li> <li>5. Document containing public services number:</li> <li>6. Copy of property certificate (of the acquired apartment) if necessary, copy of the document serving as a basis for certificate provision.</li> <li>7. Estimate of renovation (reconstruction) expenses (expenses per articles)</li> <li>8. Photos of renovated real estate (detailed)</li> <li>9. Statement that the present apartment is not under barrage (the original and 1 copy), <u>to be presented after loan confirmation.</u></li> <li>10. Copy of Diploma (if any).</li> <li>11. Other documents, if necessary</li> </ol>

The energy efficiency of the loans is determined

- In the case of renovation and construction loans, by completing the estimate (energy efficiency assessment tool) located on the website of the National Mortgage Company VMC CJSC (nmc.am),
- In the case of loans for the purchase of real estate from multi-apartment buildings, from the list of energy-efficient buildings available on the website of the National Mortgage Company VMC CJSC (nmc.am).

\*You can get acquainted with the current rates in the bank at the following link: [https://www.aeb.am/hy/business\\_cash/](https://www.aeb.am/hy/business_cash/).

Attention: In the case of refinancing mortgage loans being refinanced within the framework of this decision, if refinancing is refused or refinancing is stopped, the loan interest rate is set at 14% per year, except for loans of the state support program for energy-efficient renovation of apartments and individual residential houses in the territory of the Republic of Armenia, in which case the interest rate does not change.

Note: A co-borrower can be any or several of the borrower's family members.

**Attention!**

Early repayment of the loan is allowed, for which penalties and fines are not applied. Upon the Customer's choice, the Bank:

- reduces the amount of monthly payments in proportion to the amount repaid early, leaving the loan repayment period unchanged, or
- reduces the repayment period of the loan, leaving the amount of monthly payments unchanged.

**Attention!**

The borrower may be deprived of his rights to the apartment if he fails to fulfill or improperly fulfills his obligations under the Mortgage Agreement.

**Attention!**

The mortgage agreement is notarized.

**Attention!**

During the last 12 months of the borrower and co-borrower/s, the total number of days in arrears for all loans/current and repaid/debt must not exceed 30 calendar days.

**Attention!**

Interest is calculated on the loan balance.

**Attention!**

After making a positive decision on the loan, the Bank, based on the terms of the loan offered by it and the documents provided by the consumer, before concluding the mortgage crediting agreement, provides the consumer with an Individual sheet, which defines the essential conditions of the mortgage credit applicable to the given consumer upon signing the crediting agreement for the given mortgage loan ,tariffs ,rights and obligations of the consumer and negative consequences in case of failure to fulfill obligations on time.

**Attention!**

“Your financial directory” is an electronic system facilitating the comparison of services offered to individuals and the selection of the most effective option for you: <https://www.fininfo.am/compare-mortgage-loan>.

**Attention!**

The bank provides the loan agreement proposal and draft to the borrower seven days prior to signing the loan agreement.

**Attention!**

The floating nominal interest rate can be changed no more than twice a year.

**Attention!**

An offer to conclude a credit agreement is valid for seven working days (thinking time), unless a longer period is specified in the offer.

**Attention!**

You can get acquainted with the tariffs of other services provided within the framework of credit operations by visiting the following link: [www.aeb.am/media/2019/10/3044.pdf](http://www.aeb.am/media/2019/10/3044.pdf)

### GENERAL INFORMATION

Collateral appraisal is realized by any assessment organization having a license according to the tariffs determined by the latter. The assessment organizations are as follows:

Name	Address	Telephone
“ESTATE” LLC	49 Tigran Mets avenue, Yerevan	041-77-41-00
RA CCI "ARMEXPERTIZA" LLC	Garegin Nzhdeh St, 26 Bld., Yerevan, RA	(010) 44 34 36 , (010) 44 28 48
"VM-RP" LLC	8 Vardanants Str., Yerevan, RA	(010 -58 87 97, (099) 58 87 97
"AMINTAS GROUP" LLC	Artsakhi Ave., 23/6 Building, Yerevan, RA	(010) 43 22 76 , (096) 43 22 76, (094) 43 22 76
RVM consult LLC	Nalbandyan St., 48/1 Building, 2nd Floor, Yerevan, RA	(010) 54 64 90, (098) 94 44 49, (077) 94 44 49
“Oliver Group” LLC	215-216, 8 Tumanyan str., Yerevan	(010 ) 54 27 40, (010) 54 27 50, (010) 54 27 60, 077/091/055 54 27 50

The insurance is realized at size of loan amount or the market value of the property by any insurance company licensed by RA CB, at the tariff determined by the latter.

The insurance companies are as follows:

Name	Address	Telephone
“SIL INSURANCE” CJSC	3 and 5 Aram str, Yerevan, RA	(060) 54-00-00, (060) 50-55-44, (010) 58-00-00
“Ingo Armenia” CJSC	51, 53 Hanrapetutyanyan str., area 47, 48, 50, Yerevan, RA	(010) 59 21 21
"RESO" Insurance CJSC	Komitas avenue, 62 bld., Yerevan, RA	(060) 27 57 57, (098) 56 07 97

**The amounts to be paid by the consumer, irrespective of the fact that the payments for goods, services or works made by credit or without a credit, are not included in the calculation of the actual interest rate.**

**Attention!**

On the purpose of due diligence of the customer envisaged by RA law on “On combating money laundering and terrorism financing” , the Bank may request additional documents or other information from the consumer based on “Know your customer” principle, as well as ask the consumer additional questions during oral communication.

**Attention!**

In compliance with the agreement signed with USA, to find out whether you are a U.S. taxpayer or not, financial institutions may collect additional information about the agreements, contracts, cooperation, membership signed by financial institutions, which may have a direct impact on the consumers (e.g. Foreign Account Tax Compliance Act (FATCA)).

**Attention!**

If an early repayment is made in the amount exceeding 20% of the Principle balance as of the first day of each month (which does not include repayment of the part of the loan envisaged by the repayment schedule of the given month) without the Bank's written consent, a penalty in the amount of 5% of the early repaid amount exceeding 20% of the balance of the Principle is applied.

**Attention!**

After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer, provides the consumer with an individual leaflet, which defines essential terms of the mortgage loan, tariffs, the rights and obligations of the consumer, and the negative consequences in case of non-fulfillment of the obligations when due applicable for the given consumer in case of conclusion of the mortgage agreement.

**Attention!**

As an additional means of securing the loan, the Bank may also require the guarantee (s) of another person / persons.

**Attention!**

The floating nominal interest rate may be changed no more than twice a year.

**Attention!**

IN CASE OF NON-FULFILLMENT OR INCOMPLETE FULFILLMENT OF YOUR OBLIGATION, THIS INFORMATION IS SENT TO THE CREDIT BUREAU WITHIN 3 WORKING DAYS, WHERE YOUR CREDIT HISTORY IS FORMED. YOU HAVE THE RIGHT TO GET YOUR CREDIT HISTORY FROM THE CREDIT BUREAU ONCE A YEAR FREE OF CHARGE. ( <https://acra.am/?lang=hy> ).

**Attention!**

BAD CREDIT HISTORY MAY PREVENT YOU FROM RECEIVING OTHER LOANS IN THE FUTURE.

**Attention!**

LOAN INTEREST RATES ARE CALCULATED BASED ON NOMINAL INTEREST RATE. THE ANNUAL INTEREST RATE SHOWS HOW MUCH THE LOAN WILL COST FOR YOU AND OTHER PAYMENTS WITHIN A LIMITED PERIOD. YOU CAN GET ACQUAINTED WITH THE ANNUAL ACTUAL INTEREST CALCULATION PROCEDURE AT THIS LINK: -<https://www.aeb.am/media/2019/06/2640.pdf>.

**Attention!**

THE NOMINAL INTEREST OF THE LOAN MAY BE CHANGED BY THE BANK. YOU CAN GET INFORMATION ABOUT CHANGE OF NOMINAL INTEREST AT THIS LINK: <https://www.aeb.am/media/2019/05/2631.pdf>

1. YOU ARE ELIGIBLE TO COMMUNICATE WITH FINANCIAL INSTITUTION BY THE MEANS OF COMMUNICATION YOU PREFER – THROUGH POSTAL SERVICES OR ELECTRONICALLY. THE RECEIPT OF INFORMATION ELECTRONICALLY IS THE MOST CONVENIENT. IT IS AVAILABLE ROUND-THE-CLOCK (24/7), FREE OF THE RISK OF LOSS OF PAPER INFORMATION AND ENSURES THE CONFIDENTIALITY.

2. THE POSSIBLE NEGATIVE CONSEQUENCES, PENALTIES/FINES FOR THE CUSTOMER IN CASE OF NON-FULFILLMENT OF OBLIGATIONS:

-0,13% OF THE UNPAID AMOUNT FOR EACH OVERDUE DAY

-0,13 % OF THE UNPAID INTEREST AMOUNTS FOR EACH OVERDUE DAY

3. IF YOU HAVE OUTSTANDING LIABILITIES AGAINST THE CREDITOR, WHILE FULFILLING YOUR OBLIGATION THE LOAN REPAYMENT ARRANGEMENTS ARE MADE IN THE FOLLOWING SEQUENCE:

COURT COSTS (IF ANY);

COLLATERAL SALE COSTS (IF ANY);

ACCRUED PENALTY;  
 ACCRUED INTEREST;  
 INSURANCE COSTS (IF ANY);  
 LOAN PRINCIPAL

4. SHOULD YOU FAIL TO PAY THE INTEREST AND THE PRINCIPLE WITHIN THE SET TERMS THE PLEDGED PROPERTY MAY BE CONFISCATED IN THE MANNER STIPULATED BY LAW.
5. IN CASE OF NOT PERFORMING THE LOAN LIABILITIES AND REPAYING THE LIABILITIES IN THE ACCOUNT OF THE COLLATERAL, IN CASE OF THE COLLATERAL BEING NOT ENOUGH TO REPAY THE BORROWER'S LOAN LIABILITIES, IT IS POSSIBLE TO MAKE LIABILITIES REPAYMENT ON THE ACCOUNT OF ANOTHER PROPERTY OF THE BORROWER AND/OR GUARANTOR(S).
6. LOAN INTERESTS ARE CALCULATED ON LOAN BALANCE.

For example if the customer is granted by a loan in the amount of AMD 1.200.000 with 24% annual interests rate and 12 months tenor (while calculating monthly accrued interests as a number of days 30 days period was taken into account ).

Months	Loan balance	Repayment from loan	Repayment from interest
1	1.200.000	100.000	23.671
2	1.100.000	100.000	21.699
3	1.000.000	100.000	19.726
4	900.000	100.000	17.753
5	800.000	100.000	15.781
6	700.000	100.000	13.808
7	600.000	100.000	11.836
8	500.000	100.000	9.863
9	400.000	100.000	7.890
10	300.000	100.000	5.918
11	200.000	100.000	3.945
12	100.000	100.000	1.973

7. The Bank applies no limits to loan amount; it will be conditioned by and related to:

- *Purpose of loan;*
  - *Customer's creditworthiness;*
  - *Collateral offered by the customer;*
  - *Loan risk assessment;*
  - *Requirements of prudential standards provided by the Central Bank of Armenia.*
8. « ARMECONOMBANK OJSC can offer the customer services under terms which may differ from those set forth in the Bank's overall policy due to any of the following conditions:
    - *Customer account balance;*
    - *Customer account turnover;*
    - *Strategic importance of the customer for the Bank;*
    - *Number of employees in customer organization;*
    - *Total number of cards issued for customer organization;*
    - *Income gained from customer;*
    - *Volume of transfers;*
    - *Size of deposits with the Bank;*
    - *Significant borrower,*
    - *Social considerations (medical organizations, educational institutions, etc.);*
    - *Being the head of such organization;*
    - *Other objective conditions.*

9. The borrower pays interest to the bank for using the loan amount. The interest is calculated on the loan balance for the calendar days of actual use of the loan based on a 365-day year. For loans under specific projects the interest calculation may be based on a 360-day year.
- *Loans are repaid within the dates indicated in Loan Agreement.*
  - *The periodicity of interest payments is determined in accordance with the loan agreement or repayment schedule.*
  - *If the repayment date for principal or interest falls on day off, the payment is made on the following working day without calculation of penalty for the days off.*
10. Repayment of Loans
- *Loans are repaid within the dates indicated in Loan Agreement.*
  - *Loans are repaid in the currency in which they were given.*
11. The Bank may terminate the Loan Agreement and request repayment of the loan amount, if
- *The borrower has failed to make any payment required under Loan Agreement.*
  - *The borrower has breached any commitment made by the borrower and fails to correct such breach within 30 days following the occurrence thereof.*
  - *Any presentation, warranty, document, or information is materially incomplete.*
  - *By reasonable opinion of the Bank, an essential adverse change has occurred in the borrower's financial condition, including court orders, outflow of assets, deterioration or termination of business, company re-organization.*
  - *The borrower undergoes dissolution, or is subject to ongoing or pending bankruptcy proceedings.*
  - *The borrower interferes with monitoring.*
  - *For other objective reasons.*
12. The Bank may accept as collateral:
- *Real estate: land, houses, buildings, apartments;*
  - *Fixed assets;*
  - *Circulating assets;*
  - *Motor vehicles;*
  - *Precious metals;*
  - *Treasury bills, foreign currency, stocks;*
  - *Property to be purchased and ownership right;*
  - *Cash.*
13. The Bank shall not accept the following items as a collateral
- *Non-circulating assets;*
  - *Separate parts of indivisible property*
  - *Leasing right,;*
  - *Property owned by urban, rural, and local communities;*
14. The appraisal value of pledged personal and real estate is based on market value indicated in appraisal statement.
15. The loan or a part thereof, as well as the accrued interest is deemed overdue if not repaid within periods specified in the Agreement.
- *In case of non-repayment of the amounts (the loan, interests other payments) within the term(s) set by the Agreement, Borrower shall pay a penalty in the amount of 0.13% (zero point thirteen percent) of the overdue amount for each day of default. The total amount of the unpaid interests calculated in accordance with this paragraph shall not exceed the current debt balance.*
  - *In case of non-repayment of the loan or a part thereof within the term(s) set by the Agreement, the Borrower is obliged to pay interests to the Bank in the amount of double of the settlement rates set by the Central Bank of Armenia. The total amount of the unpaid interests calculated in accordance with this paragraph shall not exceed the current debt balance.*
  - *Starting from the 91st day of overdue days, 24% annual interest rate is applied to the balance of non-overdue loan (term loan). After the full repayment of outstanding amounts, penalties and interests accrued, the interest rate set by the Loan Agreement is recovered.*

1. To settle the claim of CREDITOR-PLEDGEE, the pledged property may be confiscated in extrajudicial manner pursuant to paragraphs 2-4 of these Rules in case of non-fulfillment or improper fulfillment of the obligations by PLEDGER under Collateral Agreement and by BORROWER under Loan Agreement.
  2. The property confiscated in extrajudicial manner may be sold if under Pledge Agreement PLEDGER has authorized CREDITOR-PLEDGEE to sell the pledged property upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules without seeking court intervention and so fully recover the claim covered by the collateral and has also agreed to transfer without seeking court intervention the ownership of the pledged property against the respective part of main liability to CREDITOR-PLEDGEE or any person designated by the latter in the manner provided by RA legislation.
  3. Upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules, CREDITOR-PLEDGEE shall duly notify PLEDGER in writing of confiscation of the pledged property (confiscation notice). In two months following the date of delivery of confiscation notice to PLEDGER, CREDITOR-PLEDGEE shall have the right, pursuant to Article 195 of RA Civil Code, to sell the pledged property directly or through public auction pursuant to RA Law on Public Bidding.
  4. PLEDGER undertakes to transfer the pledged property to CREDITOR-PLEDGEE within two months following the date of delivery of confiscation notice to PLEDGER.
  5. The duration of process of sale of pledged property may not become a ground for cessation of growth of BORROWER's liabilities to CREDITOR-PLEDGEE. Moreover, the proceeds from sale of collateral shall be utilized to fully cover CREDITOR-PLEDGEE's claims to BORROWER existing as of the date of sale of collateral and, should the claim not be covered on the account of the collateral, the outstanding amounts may be confiscated from other property of BORROWER.
  6. Confiscation of the property pledged to cover CREDITOR-PLEDGEE's claims by court order may be executed in the manner provided by RA legislation.
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16. You can get acquainted with the tariffs on each service by visiting the link: <https://www.aeb.am/hy/sakagner/>
  17. You can get acquainted with the remote services, terms and conditions by visiting the link: [https://www.aeb.am/hy/mobile\\_banking/](https://www.aeb.am/hy/mobile_banking/)

**THE BANK IS CONTROLLED BY THE CENTRAL BANK OF ARMENIA**