

Approved by
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ARMECONOMBANK OJSC Executive Board
Dated 30 August 2023

Chairman of the Executive Board
_____A. Arakelyan

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changed,
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Bank directory



INFORMATION BULLETIN OF MORTGAGE LOANS OF
“AFFORDABLE HOUSING TO SERVICEMEN”

YEREVAN 2023

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“AFFORDABLE HOUSING TO SERVICEMEN”	
Loan type	Mortgage loan granted for the acquisition of residential real estate within the framework of "Affordable housing for a serviceman" national target program
Loan purpose	Exclusively for the purpose of acquiring real estate/purchase rights from the primary market in the RA territory
Loan currency	AMD
Loan amount	1.000.000-25.650.000
Annual interest rate	11%
Annual actual interest rate	6.22-8.87%
State-subsidized interest	5%**
Loan term	120-240
Frequency of redemptions	Monthly
Loan redemption procedure	Monthly, equally (annuitant)
Requirements to property	The basis for the loan/collateral ratio is the minimum of the acquisition and appraisal values of the residential real estate.
Loan/pledge maximum ratio	90%
Grant way	Lump, cashless
Loan application study fee	0
Loan arrangement is realized	By ARMECONOMBANK OJSC Head Office and branches. Except for Nairi MC, Rosia-1 and Araratyan branches.
Period of decision and provision	Up to 20 working days (in case of a collateral is provided within 5 business days following the receipt of collateral registration right)
Expenses related to the collateral arrangement	The borrower shall bear all collateral arrangement expenses (notarization, registration of the real estate in territorial subdivisions of Cadastre)
	Notary fee - AMD 15.000-25.000
	Joint reference (on restrictions against real estate) -AMD 10.000
	Certificate on the registration of right over real estate- AMD 27.000-75.000
	Is not subject to reduction in case of early repayment of the loan.

Encashment fee	In case of encashment of the loan amount, encashment fee is charged per the tariffs set by the Bank*.
Penalties	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).
Positive decision grounds	" Positive credit history (if any)
	<ul style="list-style-type: none"> • Credibility of the presented documents
	<ul style="list-style-type: none"> • Stable source of income
	<ul style="list-style-type: none"> • Availability of acceptable collateral
	"Conformity with "Affordable housing to serviceman" state purpose project criterion.
Negative decision grounds	<ul style="list-style-type: none"> • Negative assessment of customers financial state
	<ul style="list-style-type: none"> • Non-credibility of the presented documents
	<ul style="list-style-type: none"> • Inadequacy of the "Affordable housing to a serviceman" state purpose project criterion.
	<ul style="list-style-type: none"> • Customer's negative loan history
	<ul style="list-style-type: none"> • Other reasons that will hamper the loan repayment according to the Bank assessment.
Provision of extract	Free of charge
Documents presented by individuals	1. Passport copies /of family members/
	2. Copies of Borrower's and husband's(wife) birth certificates
	3. Marriage certificate copy (if any)
	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)
	5. Statements from personal accounts of individual borrower(s) and co-borrower(s) from tax authorities
	6. Document containing public services number
	7. Copy of property certificate (copy of the document serving as a basis of acquired apartment certificate, if necessary)
	8. A Reference claiming that the present apartment is not under barrage (the original and 1 copy) to be presented after the confirmation of the loan.
	9. Passport copy of the vendor (proprietors)
	10. 3rd form of the apartment to be acquired /from the
	11. Diploma copy (if any)
	12. Reference from the cadastre information center regarding the real estate owned by the applicant and his/her spouse throughout the whole territory of RA.
	13. Other documents if necessary

* To get acquainted with the current tariffs at the bank please visit :https://www.aeb.am/en/business_cash/.

**To the extent of the difference between the loan interest rate and the subsidized amount, the borrower/co-borrower can benefit from the income tax refund law.

Attention. The real estate to be pledged, the borrower and the co-borrower are subject to insurance.

Attention. In case of acquiring a real estate right/purchase right from the primary market, there is state support for the down payment in the amount of AMD 2,500,000, regardless of the price of the apartment.

Attention. Within the framework of the given loan type in case of a refusal of refinancing or termination of refinancing when providing refinanced mortgage loans, the interest rate of the loan is defined 14% annually, except for the loans from 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 several of the 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. Interests are 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 proposal and project on the signing of the loan agreement to the borrower.

Attention. The Proposal on 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

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 Hanrapetutyan 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 are 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, memberships signed by financial institutions, which may have a direct impact on the consumers (e.g. foreign account tax compliance act (FATCA)).

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 co-borrower or the guarantee (s) of another person / persons.

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=en>).

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 IN CASE OF MAKING PAYMENTS OF INTEREST AMOUNTS AND OTHER PAYMENTS WITHIN THE DEFINED 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), IS 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, THE LOAN REPAYMENT ARRANGEMENTS ARE MADE IN THE FOLLOWING SEQUENCE WHILE FULFILLING YOUR OBLIGATIONS;

-COURT COSTS (IF ANY);

-COLLATERAL SALE COSTS (IF ANY);

-ACCRUED PENALTY;

-ACCRUED INTEREST;

-INSURANCE FEES (IF ANY);

-LOAN PRINCIPAL

4. NOTE: SHOULD YOU FAIL TO PAY THE INTEREST AND THE PRINCIPLE WITHIN THE SET TERMS YOUR 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 LOAN LIABILITIES, IT IS POSSIBLE TO MAKE LIABILITIES REPAYMENT ON THE ACCOUNT OF ANOTHER PROPERTY OF THE BORROWER AND/OR GUARANTOR(S)/CO-BORROWER(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).

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 provided to customer organization;**
- **Income brought to the bank;**
- **Volume of transfers;**
- **Size of deposits with the Bank;**
- **Being a 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 periods 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 Loan obligations

- Loans are repaid within the periods 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 may 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-PLEDGE, 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-PLEDGE to sell the pledged property upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules without applying to the court and so fully recover the claim covered by the collateral and has also agreed to transfer the ownership of the pledged property against the respective part of main liability to CREDITOR-PLEDGE or any person designated by the latter in the manner provided by RA legislation without applying to the court.
3. Upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules, CREDITOR-PLEDGE 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-PLEDGE 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-PLEDGE 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-PLEDGE. Moreover, the proceeds from sale of collateral shall be utilized to fully cover CREDITOR-PLEDGE'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-PLEDGE's claims by court order may be executed in the manner provided by RA legislation.
16. You can get acquainted with the tariffs on each service by visiting the link: <https://www.aeb.am/en/sakagner/>
17. You can get acquainted with the remote services, terms and conditions by visiting the link: https://www.aeb.am/en/mobile_banking/

THE BANK IS CONTROLLED BY THE CENTRAL BANK OF ARMENIA