

Approved by  
Number 35/03-21.02.23 resolution  
of “ARMECONOMBANK” OJSC Executive Board

Dated “21” February” 2023

Chairman of the Executive Board

----- A. Khachatryan

*Date of publication «22» «February» 2023  
Terms and conditions mentioned in the Bulletin may have changed,  
for details [www.aeb.am](http://www.aeb.am),  
Tel. - (37410)8686, (37410)51-09-10 (9104) – Bank  
directory*



**INFORMATION BULLETIN OF SUBSIDIZED LOANS FOR ENERGY-EFFICIENT  
RENOVATION**

**YEREVAN 2023**

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

## Subsidized loan for energy-efficient renovation

<b>Aim of the loan</b>	Renovation of residential real estate. moreover, at least 80% of the cost directions of the use of the loan and 100% of the expenses directed to energy-efficient measures must be done in a non-cash way.					
<b>Type of the loan</b>	Mortgage loan					
<b>Currency of the loan</b>	AMD					
<b>Terms of providing the loan</b>	Type of property	Annual interest rate	Maximum period of the loan	Minimum amount of the loan	Maximum amount of the loan	Maximum loan amount set for 1sq.m
	Apartment	12%	84 months	AMD 3.000.001	AMD 7.000.000	AMD 70.000
	Private residential house	12%	84 months	AMD 3.000.001	AMD 10.000.000	AMD 100.000
	Actual interest rate- 0.84-5.57%.					
<b>Renovation interest loan subsidy</b>	Annual percentage of the loan paid by beneficiaries for properties under renovation in border or *high mountain settlements	Annual percentage of the loan paid by the beneficiaries for properties under renovation in rural settlements not considered as border settlements	Annual percentage of the loan paid by the beneficiaries for properties under renovation in urban areas not considered as border settlements	Annual interest rate of the loan paid by beneficiaries regarding properties under renovation in Yerevan		
	0%	2%	3%	5%		
<b>Loan security</b>	Real estate under renovation In case of the apartment to be pledged and renovated (residential house) being constructed prior to 2010 a conclusion of technical condition review is required by authorized persons.					
<b>Security</b>	<ul style="list-style-type: none"> <li>Real estate security is done at the expense of the customer in the insurance company having a license by RA CB at the tariff set by the latter minimum by calculating the loan balance. The tariffs fluctuate in the amount of 0.16-0.18% of the loan balance.</li> <li>The insurance of the borrower and co-borrowers from (except for co-borrowers not having income) is done at the expense of the customer in the insurance company having a license by RA CB at the tariff set by the latter minimum by calculating the loan balance. The tariffs fluctuate in the amount of 0.16-0.18% of the loan balance.</li> </ul>					
<b>Subsidy of loan fines and penalties</b>	Not subsidized					
<b>Energy-efficient renovation</b>	Renovation is considered energy- efficient, as a result of which it is directed to energy efficiency: <ul style="list-style-type: none"> <li>For apartments, at least 20%</li> <li>For residential houses, at least 30%</li> </ul>					
<b>Energy-efficiency criteria</b>	<ul style="list-style-type: none"> <li>Thermal insulation of walls, roofs, inter-floor coverings</li> <li>Acquisition of energy-efficient building materials</li> <li>Purchase, replacement or installation of exterior doors and windows</li> </ul>					

	<ul style="list-style-type: none"> <li>• Acquisition, replacement or installation of a heating or water boiler (gas or electric) and heating system components (pipes, sections, etc.)</li> <li>• Acquisition and installation of cooling systems, of an energy-efficient fan, air conditioner</li> <li>• Acquisition and installation of solar systems (water heater, photovoltaic)</li> <li>• Acquisition of LED lamps and lighting fixtures</li> </ul>
<b>Allocation of credit</b>	In stages-only cashless
<b>Maximum period of using each stage</b>	40 days
<b>Maximum period of renovation works</b>	182 days
<b>Loan application review fee</b>	Not defined
<b>Loan service fee</b>	Not defined
<b>Grace period of the loan</b>	Not defined
<b>Penalty for early loan repayment</b>	Not defined
<b>Formulation of the loan</b>	To carry out the mortgaged property, required guarantor/co-borrower requirement, loan/collateral ratio and income/expense analysis in accordance with the Bank's internal legal acts for Mortgage Loans.
<b>Fines</b>	A penalty of 0.13 percent of the overdue amount (per day) is established for each day of overdue amounts (loan, interest, other fees) that have not been paid within the term/s/ defined by the agreement.
<b>Provision of statement</b>	<b>Free of charge</b>
<b>Requirements for the borrower</b>	<ul style="list-style-type: none"> <li>• A resident natural person over 18 years old,</li> <li>• Registered and residing in the Republic of Armenia,</li> <li>• Has a permanent source of income acceptable to the bank.</li> </ul>
<b>Basis of a positive decision</b>	<ul style="list-style-type: none"> <li>• Positive loan history(if any)</li> <li>• Credibility of submitted documents</li> <li>• Source of a stable and sufficient income</li> </ul>
<b>Basis of a negative decision</b>	<ul style="list-style-type: none"> <li>• Negative assessment of the financial state of the client</li> <li>• Reliability of submitted documents</li> <li>• Negative credit history of the client</li> <li>• Other reasons that according to the Bank's assessment will hinder the repayment of the loan</li> </ul>
<b>Documents submitted by individuals</b>	<ol style="list-style-type: none"> <li>1. Copies of passports, social cards /of the applicant/family members/and guarantors/co-borrower</li> <li>2. Copy of a marriage certificate/if any/</li> <li>3. Reference from workplace/of the applicant and guarantors/co-borrower//</li> <li>4. Copy of certificate of ownership/the copy of document being the basis for issuing the certificate if necessary/</li> <li>5. Repair costs pre-estimate/costs by articles/</li> <li>6. In case the mortgaged and renovated apartment (residential house) was built before 2010, a technical condition inspection report (not more than 10 years old) is required by licensed persons regarding the absence of level 4 damage (in the field of technical condition inspection of buildings and structures, the list of licensed persons is published on the official website of the RA Urban Development Committee: minurban.am).</li> <li>7. Photo of renovated real property/in details/</li> <li>8. Other documents if needed.</li> </ol>

\* High mountain settlements are defined by the relevant decision of the RA Government.

**Attention:** In the case of loans in the amount of AMD 1,000,000-3,000,000, the works aimed at energy efficiency should make up at least 40% of the loan amount, the loan period 60 months, the loan interest rate 12% per year.

**Attention:** No more than 10% of the total amount of the loan can be used for the purchase of household appliances of at least A+ class (refrigerator, washing machine, dishwasher, electric oven, electric stove, electric water heater). The purchase of household appliances is not considered an energy efficiency measure.

**Attention:** The residential real estate to be renovated can be located in the entire territory of RA, in case of loans in the amount of AMD 1,000,000-3,000,000, the property to be renovated should not be located in the Kentron community of Yerevan.

**Attention:** Due to various circumstances additional documents and information may be required.

**Attention:** Early repayment of the loan is allowed, for which penalties and fines are not applied.

**Attention:** “Your financial directory” is an electronic system facilitating the search, comparison of the services offered to individuals and facilitating the search of the most efficient option for you: <https://www.fininfo.am/compare-consumer-loan>.  
[https://www.aeb.am/hy/bankayin\\_hashiv](https://www.aeb.am/hy/bankayin_hashiv).

**Attention.** You can get acquainted with the conditions, terms and tariffs for providing statements, their copies, references and other information during the term of the agreement at the following link: [https://www.aeb.am/hy/bankayin\\_hashiv](https://www.aeb.am/hy/bankayin_hashiv)

**Attention.** When applying for a loan, the Bank provides you with an individual sheet of essential conditions of a consumer loan or an individual sheet of essential conditions of a mortgage loan, in which the individual conditions of the loan to be granted to you are presented.

**Attention:** You can get acquainted with additional services provided within the framework of implementing loan operations by visiting the following link: <https://aeb.am/media/2020/04/3717.pdf>

## GENERAL INFORMATION

Collateral valuation is carried out by independent licensed appraiser companies at the rates set by latters.

Appraiser companies are:

Name	Address	Phone number
“ANT REALTY” LLC	RA, Yerevan, Kentron, Tigran Mets ave., building 49	(096) 52 25 40 (077) 52 25 46
“ESTATE” LLC	Yerevan, 49 Tigran Mets ave.	041-77-41-00
RA CCI “ARMEXPERTIZA” LLC	city of Yerevan, 26 Garegin Nzhdeh str.	010-44-34-36, 010-44-28-48
“VI LM-AR PI” LLC	Yerevan, Vardanants str.8	010-58-87-97, 099-58-87-97
“AMINTAS GROUP” LLC	Yerevan, Artsakh str. 23/6	010-43-22-76, 096-43-22-76
“Ar Vi Em Consult” LLC	Yerevan, Nalbandyan str.48/1 building, 2 <sup>nd</sup> floor	010-54-64-90, 098-94-44-49
“Oliver Group” LLC	Yerevan, Tumanyan 8, 215-216	010 54 27 40, 010 54 27 50, 010 54 27 60, 077/091/055 54 27 50

Insurance is carried out in the amount of the loan or in the amount of the market price of the property in insurance companies having a license by the RA CB at the rates set by latters.

The insurance companies are:

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

**Attention.** The bank may request additional documents or other information from the consumer on the basis of “Know your customer” principle for the purpose of due diligence of the customer defined by the RA Law “on Combating Money Laundering and Terrorist Financing”, such as also ask additional questions to the consumer during verbal communication.

**Attention.** on contracts, agreements, partnerships, or affiliations signed by financial organizations that may have a direct impact on consumers (for example, pursuant to an agreement with the United States based on the Foreign Account Tax Compliance Act (FATCA)); the bank may collect additional information to determine whether you are a US taxpayer."

**Attention.** In case of loans secured by a real estate collateral exceeding AMD 15,000,000, in case of early repayment of more than 20% of the balance of the principal amount of the loan as of the first day of the given month without the written consent of the Bank (which does not include the repayment of the part of the loan provided for in the repayment schedule in the given month) a fine of 5% of that amount is calculated.

**Attention.** When applying for a loan, the Bank provides You an individual leaflet of the essential terms of consumer loan, in which the individual terms of the loan to be provided to you are presented.

**Attention.** As an additional means of securing the loan the Bank may require the guarantee(s) of other person/people and/or co-borrower.

**Attention:** in case of non-fulfilment or incomplete fulfillment of the obligation by you, the lender sends the data to the credit bureau within 3 working days, where your credit history is formulated. you have the right to get your credit history from the credit bureau once a year for free (<https://acra.am/?lang=hy>).

**Attention:** bad credit history may prevent you from receiving a loan in the future.

**Attention:** *loan interest is calculated based on the nominal interest rate, and the actual annual interest rate indicates how much the loan will cost you in case of paying the interest and other payments within the specified time and amount. You can familiarize yourself with the procedure for calculating the actual annual interest rate at this link:* <https://www.aeb.am/media/2019/06/2640.pdf>.

Fees payable by the consumer regardless of the fact whether the payment for goods, services or works is made on credit or without credit are not included in the calculation of the actual interest rate.

**Attention:** *the nominal interest rate of the loan can be changed by the bank. You can get information about the nominal interest rate change at this link:* <https://www.aeb.am/media/2019/05/2631.pdf>

1. you have a right to communicate with financial organization in the way you prefer- by mail or electronically. Receiving information electronically is the most convenient. It is available 24/7, is free from paper information loss and ensures privacy.

2. possible fine/penalties for the client in case of non-fulfillment of obligations

- in the amount of 0,13%<sup>a</sup> of the unpaid overdue amount per day

- in the amount of 0,13%<sup>a</sup> of the unpaid overdue amount per day.

3. if you have unpaid obligations to the borrower, when fulfilling the obligations by you, repayments are made in the following order:

court expenses/if available/

collateral realization expenses/if any/

- fines

- interests

- insurance premiums/if available/

- principal amount of the loan

4. your property may be confiscated in the manner defined by the law if you don't make repayments of your interest amounts and principal amount on time.

5. in case of non-performing credit obligations and repaying loan obligations at the expense of collateral in case the collateral is not sufficient, it is possible to repay the obligations at the expense of other property of the borrower and/or guarantor(s)/co-guarantor/s/.

6. amounts of loans are calculated to the loan balance.

For example: If the customer was granted a loan of AMD 1,200,000, with an annual interest rate of 24%, for a period of 12 months (the number of days used to calculate the monthly interest the period of 30 days has been taken as basis).

Months	Loan balance	Payment from the loan	Payment 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. REMEMBER THAT THE CHANGES IN EXCHANGE RATES OF LOANS PROVIDED IN FOREIGN CURRENCY MAY HAVE AN IMPACT ON LOAN REPAYMENTS.

8. Any restriction provided loan size is not applied by the bank, it is conditioned by and depends on:

- The aim of the loan
- The creditworthiness of the client
- The loan security offered by the client
- The loan risk assessment
- The requirements of the normative field defined by the Central Bank of RA.

9. "ARMECONOMBANK" OJSC can provide services to the client under conditions different from those defined by the Bank's general policy, taking into account any of the conditions from the list presented below:

- *Customer's account balance*
- *Movement of the client's account*
- *The strategic importance of the client for the bank*
- *The number of employees of the client organization*
- *The total number of cards provided to the client organization*
- *Income brought to the bank,*
- *Volume of transfers,*
- *Amount of deposits invested in the bank,*
- *Being a big borrower,*
- *Social considerations (educational institutions, medical organizations, etc.),*
- *Being the head of the above-mentioned organizations,*
- *Other objective conditions.*

10. For the use of the loan, the borrower pays interest to the bank, which is calculated on the loan balance, from the date of the loan, for the calendar days actually used, assuming 365 days a year. In case of crediting within the framework of individual programs, a year can be accepted for 360 days.

- *Interests are paid within the terms specified in the loan agreement.*
- *The periodicity of interest payment is defined according to the loan agreement or repayment schedule.*
- *If the repayment date of the loan or calculated interest coincides with a weekend, the payment is made on the following working day without calculating a penalty for the weekend.*

11. Repayments of loan obligations

- *Loans are repaid within the terms specified in the loan agreement*
- *The loans are repaid in the currency in which they are formulated*
- *In case of loans in foreign currency changes in exchange rates may affect loan repayments*
- *In case of a change in foreign currency rate the borrower bears the risk of the impact of exchange rate change on loans provided in foreign currency.*

12. The bank can terminate the operation of the credit agreement and demand the loan amount back if:

- *The borrower fails to make any payment stipulated in the loan agreement,*
- *The borrower violates any assurance made by him and does not eliminate this violation within 30 days after its occurrence,*

- *If any representation, guarantee, document or information provided by the borrower is found to be materially deficient*
- *If, according to the bank's justified assessment, there has been a significant negative change in the borrower's financial condition, including legal claims, outflow of assets, business deterioration or termination, restricting of the company*
- *If the borrower is liquidated and the bankruptcy process has started or is about to begin*
- *If the borrower obstructs the monitoring*
- *In case of other objective reasons.*

13. For the bank, it can be as collateral:

- *Real estate: plots, buildings, constructions, apartments, private houses*
- *Fixed assets*
- *Working capital*
- *Cars*
- *Precious metals*
- *Government bonds, foreign currency, shares*
- *The property to be acquired in the future and the pledge of the right*
- *Financial means.*

14. For mortgaged movable and immovable property, the valuation value is based on the liquidation value in the valuation report.

15. The loan or a part of it, as well as the calculated interest amounts, are considered overdue if they are not repaid within the terms stipulated by the agreement.

- For each day of overdue amounts (loan, interest, other fees) that have not been paid within the period(s) defined by the Agreement, the Borrower is obliged to pay the Bank a penalty in the amount of 0.13 (zero whole thirteen hundredths) percent of the overdue amount. The sum of the calculated and unpaid penalty in accordance with this point may not exceed the current loan debt balance.
- The Borrower is obliged to pay interest to the Bank in the amount of twice the calculation rate of the bank interest established by the Central Bank of the Republic of Armenia for the (part) of the loan not paid within the term/s defined by the agreement. The sum of interest calculated and unpaid in accordance with this clause cannot exceed the outstanding balance of the loan at that moment.
- 24% interest per annum is applied to overdue loan (term loan) balance starting from the 91st day of consecutive past due days. From the day after the full payment of overdue amounts and the penalties and interest calculated for them, the interest rate specified in the Credit Agreement is restored to the term loan.

16. It cannot be considered as collateral for the bank:

- *Property removed from circulation,*
- *Separate parts of indivisible property*
- *The right to rent*
- *The property already pledged under another contract to urban, rural and district communities.*



17. In order to satisfy the demands of the LENDER-MORTGAGEE, extrajudicial confiscation of the pledged property may be extended in case of failure of the PLEDGER to fulfill the obligations stipulated in the Pledge Agreement the LENDER's obligations under the Loan Agreement, or in case of performing them improperly, in accordance with clauses 2-4 of these rules.

2. The property pledged extrajudicially is realized, if the PLEDGER gives his/her agreement under the Pledge Agreement and reserves the right to the LENDER-MORTGAGEE, in the event of the appearance of the grounds for confiscation specified in point 1 of these rules, to realize the pledged immovable property without applying to court and to satisfy the claim secured by the pledge in full at the expense of the realization as well as to hand over the mortgaged immovable property to the creditor-mortgagor or to the person specified by the latter, in accordance with the procedure established by RA legislation, in exchange for the corresponding amount of the main obligation to go to court.

3. In case the grounds for confiscation mentioned in clause 1 of these rules appear, the LENDER-MORTGAGEE shall notify the PLEDGEE in writing, in a proper manner, of the distribution of confiscation on the pledged real estate (notification of confiscation). Two months after handing over the foreclosure notice to the PLEDGER, the LENDER-MORTGAGEE has the right, in accordance with Article 195 of the RA Civil Code, to realize the pledged property on behalf of the PLEDGER through direct sale or public auctions, in accordance with the RA Law "On Public Auctions".

4. After delivering the notice of confiscation to the LENDER within 2 months the LENDER undertakes to hand over the pledged property to the BORROWER-MORTGAGOR.

5. The duration of the process of realization of the pledged property cannot be taken as basis for termination of increase in the LENDER's obligations towards the LENDER-BORROWER. Moreover, at the expense of realized amount of the pledged object all the claims of the LENDER-MORTGAGEE against the BORROWER are paid in full, and in case the claim against the pledge is not satisfied, the remaining amounts can be confiscated from other property of the BORROWER.

6. With the aim of satisfying the requirements of the CREDITOR-MORTGAGEE, judicial confiscation of the pledged property can be carried out in accordance with the RA legislation.

18. You can get acquainted with the tariffs for each service by visiting the following link: <https://www.aeb.am/hy/sakagner/> :

19. You can familiarize yourself with the services, terms and procedure of remote maintenance services by going to the following link: [https://www.aeb.am/hy/mobile\\_banking/](https://www.aeb.am/hy/mobile_banking/)

**THE BANK IS SUPERVISED BY THE CENTRAL BANK.**