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The Executive Board of ARMECONOMBANK  
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Chairman of the Executive Board  
----- A. Arakelyan

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**INFORMATION BULLETIN  
OF MORTGAGE LOANS**

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<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>	<b>Residential real estate acquisition</b>		
<b>Loan currency</b>	<b>AMD</b>		
<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/if any/)	Annual interest rate	
	Up to 70% inclusive	6.80%	7.50%
	70-92.5% inclusive With the exception of rural areas of RA, the loan to pledge value of which is defined maximum 70%	7.30%	
<b>Annual actual interest rate</b>	In case of primary market- 8.48-10.5% For 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 / residential house from the secondary market. <ul style="list-style-type: none"> <li><b>In case of acquiring real estate in Yerevan city -2%</b></li> <li>In case of acquiring real estate in the regions of the RA -4%</li> </ul>		
<b>Loan term</b>	<b>from 120 up to 240 months</b>		
<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 being pledged by the Borrower except for 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>	<b>Monthly</b>		
<b>Loan redemption procedure</b>	<b>Monthly- equally</b> (annuitant), or non-equally (differential).		
<b>Security</b>	<b>Acquired real estate</b> (if necessary other residential real estate, which shall be co-borrower's property)		
<b>Loan to pledge 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 at least 90% of the market and acquisition values of the residential real estate to be acquired, if in addition to the mortgage of the residential house or apartment to be acquired, which is a means of securing the loan, the borrower also pledges other residential real estate, and in the case of pledging other residential immovable properties, the loan amount cannot exceed 80% of the total market value of the mortgaged immovable properties in case of purchasing an apartment from the primary market and 70% in case of purchasing an apartment from the secondary market, or 70% is available (apartment from the primary market advance payment insurance in the amount exceeding 80%) if purchased.</li> </ul>		

Grant way	Cashless
Loan application study fee	<ul style="list-style-type: none"> <li>• AMD 5000 <i>which is subject to proportional reduction only in case of loan provision and early redemption of the loan.</i></li> </ul>
Loan arrangement is realized	<p>ARMECONOMBANK” OJSC head office and branches <b>with the exception of Nairi MC, Rossia-1 and Araratyan branches.</b></p> <p><b>The loan is submitted to the competent body for consideration</b> 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 the account opened with ARMECONOMBANK OJSC.</p> <p>The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.</p>
Decision and provision period	Up to 20 business days (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)
Requirements to Borrower	<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 kilometers within RA territory.</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>• Real estate insurance is carried out at the expense of the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter at least by calculating the loan balance. 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 types of insurance of a real estate to be acquired and from accidents of a borrower/co-borrower acquired and, otherwise 2% tariff will be defined). <i>Is not subject to reduction in case of repayment of the loan ahead of term.</i></p>
Real estate appraisal	<p>Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank at the tariff determined by the latter- (AMD 20.000).</p> <p><i>Is not subject to reduction in case of repayment of the loan ahead of term.</i></p>
Expenses related to the collateral arrangement	<p>The borrower shall bear all collateral arrangement expenses (notarization, registration of the real estate in territorial subdivisions of Real Estate Cadastre)</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> <p><i>Is not subject to reduction in case of repayment of the loan ahead of term.</i></p>
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).
Acquired real estate	The purchase price of a residential property (apartment, residential house) purchased in the territory of RA should not exceed AMD 30 mln for the primary market and AMD 25 mln for the secondary market, and at the same time the estimated value should not exceed AMD 31 mln and AMD 26 mln 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 <ul style="list-style-type: none"> <li>• Stable source of income</li> <li>• Availability of acceptable collateral</li> </ul> </li> <li>• Compliance with "Affordable housing for young families" state target program 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> <li>• Non-compliance with the criterion of "Affordable housing for young families" state target program <ul style="list-style-type: none"> <li>• Customer's negative loan history</li> </ul> </li> <li>• Other reasons that will hamper the loan repayments according to the Bank's assessment.</li> </ul>
<b>Provision of extract</b>	Free of charge
<b>Documents presented 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) <b><u>to be presented after the confirmation of the loan.</u></b></li> <li>9. Passport copy of the vendor (proprietors)</li> <li>10. 3<sup>rd</sup> form of the apartment to be acquired /from the passport desk/</li> <li>11. Diploma copy (if any)</li> <li>12. Statement from the Cadastre Information Centre about the applicant's and husband's/wife's) real estate owned throughout the RA</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/en/business\\_cash/](https://www.aeb.am/en/business_cash/)

**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 works 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 or
- reduces the loan repayment term leaving the amount of monthly payments unchanged.

**Attention!**

In case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement, the borrower may be deprived of his/her right to 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 (seven 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 seven working days (thinking time) unless a longer period is 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>	<b>Residential real estate acquisition</b>	
	<ul style="list-style-type: none"> <li>Loans refunded by “National Mortgage Company” RCO CJSC are temporarily suspended.</li> <li>In case of loans provided in AMD D within the framework of “National Mortgage Company” RCO CJSC</li> </ul>	
<b>Loan amount</b>	Loan/pledge ratio	Annual interest rate <sup>1</sup>
In the amount from AMD 1.000.000 to 35.000.000	Up to 70% inclusive	13.50%
	70-90% inclusive	14%
In the amount of AMD 35.000.001-60.000.000	Up to 70% inclusive	16.00%
	70-90% except for rural settlements of RA, whose loan/pledge ratio is set at maximum 70%	16.50%
Energy-efficient loans in the amount of AMD 3.000.001-45.000.000 <sup>3</sup>	Up to 70% inclusive	13.00%
	70-90%, except for rural settlements of RA, whose loan/pledge ratio is set at maximum 70%	13.50%
<b>Annual actual interest rate</b>	12.65%-16.95%	
<b>Loan term</b>	<b>from 120 up to 240 months</b>	
<b>Frequency of redemptions</b>	<b>Monthly</b>	
<b>Loan redemption procedure</b>	<b>Monthly equally</b> (annuitant) or non-equally (differentiated)	
<b>Security</b>	<b>Real estate to be acquired</b> (other residential real estate if available as well)	
<b>Advance payment</b>	<b>In case of lending with program resources (AMD) -30%</b>	
	<p style="text-align: center;"><b>10%</b></p> <p>a)if except to residential real estate collateral other residential real estate is pledged as well except for the pledge of the borrower, moreover the loan amount can not exceed <b>70% of the total market value of pledged real estates</b></p> <p>b) there is an unpaid prepaid insurance in the amount exceeding <b>70% of loan/pledge ratio</b></p>	
<b>Loan to pledge value ratio</b>	<ul style="list-style-type: none"> <li>The maximum amount can be at least 70% of the market and acquisition values of the residential real estate to be acquired</li> </ul>	
	<ul style="list-style-type: none"> <li>In case of mortgage loans in AMD the maximum amount of the loan can be minimum in the amount of 90% of the market and acquisition values of residential real estate, if except for the pledge of residential house or apartment being means of security of the loan, other residential real estate is pledged as well, moreover in case of pledging the real estates and other residential real estates the loan amount can not exceed 70% of the total market value of pledged real estates or advance payment insurance is available for an amount exceeding 70%.</li> </ul>	
<b>Way of provision</b>	Cashless	

Application study fee	AMD 5000, <i>which is subject to proportional reduction only in case of loan provision and repayment ahead of the term</i>
Loan arrangement is carried out	By ARMECONOMBANK OJSC head office and branches. With the exception of Nairi MC, Rossia-1 and Araratyan branches.
	The loan is submitted to the competent body for consideration 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 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.
Period of decision and provision	Up to 20 working days(in case of a pledge is provided within 5 business days following the receipt of collateral registration right)
Requirements to borrower	<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> <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>
Insurance	<ul style="list-style-type: none"> <li>• Real estate guarantee is carried out by the customer at the insurance company licensed by RA CB, by calculating the balance of the loan at the rate set 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%). Is not subject to reduction in case of early repayment of the loan.</p>
Real estate appraisal	By an appraisal organization having a license provided for by RA legislation and cooperating with the Bank at the tariff of the latter(AMD 20.000). Is not subject to reduction in case of early repayment of the loan.
Expenses related to collateral arrangement	All costs related to the formulation of the pledge (notarization, registration in the territorial units of the real estate cadastre) are paid by the borrower.
	<ul style="list-style-type: none"> <li>• Notary fee-AMD 15.000-AMD 25.000</li> </ul>
	<ul style="list-style-type: none"> <li>• unified reference (on restrictions of a real estate)-AMD 10.000</li> </ul>
	<ul style="list-style-type: none"> <li>• real estate collateral registration certificate-AMD 27.000-75.000</li> </ul> <p>Is not subject to reduction in case of early repayment of the loan.</p>

<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Real estate insurance is carried out by the customer at the insurance company licensed by RA CB, according to the tariffs 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> <li>• 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%). <ul style="list-style-type: none"> <li>• Is not subject to reduction in case of early repayment of the loan.</li> </ul> </li> </ul>
<b>Encashment fee</b>	In case of encashment of the loan amount, encashment fee is charged in accordance with the current tariffs at 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>Real estate to be acquired</b>	Residential real estate located in RA territory
<b>Positive decision grounds</b>	<ul style="list-style-type: none"> <li>• Positive credit history (if any)</li> <li>• Credibility of the presented documents <ul style="list-style-type: none"> <li>• Stable source of income</li> <li>• Availability of acceptable collateral</li> </ul> </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 <ul style="list-style-type: none"> <li>• Customer's negative loan history</li> </ul> </li> <li>• Other reasons that will hamper the loan repayments according to the Bank assessment.</li> </ul>
<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</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), to be presented after loan n confirmation</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>

\* To get acquainted with the current tariffs at the bank please visit :[https://www.aeb.am/en/business\\_cash/](https://www.aeb.am/en/business_cash/).

1. The given tariffs are valid in case of loans with the aim of acquisition of residential real estate and for loans granted for the purpose of acquiring the right to purchase.
2. The given tariffs are valid for the loans granted for the acquisition of the right to purchase a residential real estate from the primary market, moreover after the state registration of the buyer's right property on the basis of the act of transfer of ownership right and final stage of the loan provision, the acting interest *is reduced* being defined at an interest rate for the acquisition of residential real estate within the framework of the relevant programs available at the Bank as of the date of making decision on loan provision.
3. Energy efficiency of loans is determined by:
  - Filling in the pre-estimate(the tool for evaluating energy efficiency) posted on the website of National Mortgage Company RCO CJSC (nmc.am) in case of renovation and construction loans,
  - From the list of available energy- efficient buildings available in the website of National Mortgage Company RCO CJSC (nmc.am) for loans for the purchase of real estate from multi-apartment buildings



\*To get acquainted with the Bank's tariffs, visit the link: [https://www.aeb.am/en/business\\_cash/](https://www.aeb.am/en/business_cash/)

**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.

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 monthly payable amounts unchanged.

**Attention!**

In case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement, the borrower may be deprived of his/her rights to apartment.

**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!**

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.

**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.

The Proposal on the loan agreement conclusion is effective 7 working days (thinking time) unless a longer period is 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/uploads/varkayin\\_sakagneri\\_havelvac\\_eng.pdf](https://www.aeb.am/uploads/varkayin_sakagneri_havelvac_eng.pdf)

<b>MORTGAGE LOAN (RENOVATION, CONSTRUCTION)</b>		
<b>Loan type</b>	<b>Mortgage loan</b>	
<b>Loan purpose</b>	<b>Residential real estate renovation or construction</b>	
<b>Loan amount</b>	In case of loans provided for the construction of residential real estate, the maximum amount of the loan shall not exceed 80% of the pre-estimate cost of presented construction works.	
<b>Loan amount</b>	<b>Loan to pledge ratio</b>	<b>Annual interest rate*</b>
In the amount from AMD 1.000.000 to 35.000.000	Up to 70% inclusive	14%
In the amount of AMD 35.000.001-60.000.000	Up to 70% inclusive	16.00%
Energy-efficient loans in the amount of AMD 3.000.001-45.000.000 1	Up to 70% inclusive	13.50%
<b>Annual actual interest rate</b>	13.25-16.95%	
<b>Loan term</b>	<b>from 120 up to 240 months</b>	
<b>Redemptions frequency</b>	<b>Monthly</b>	
<b>Loan redemption procedure</b>	<b>Monthly- equally</b> (annuitant), or non-equally (differential).	
<b>Security</b>	<b>Real estate to be renovated, in case of construction – other residential real estate</b>	
<b>Loan to pledge value ratio</b>	<ul style="list-style-type: none"> <li>In the case of renovating residential real estate, up to 70% of the estimated market value of the property to be repaired or mortgaged is applicable. For the construction of residential real estate, up to 70% of the estimated market value of the mortgaged property can be considered  <p style="text-align: center;">In stages Cash or cashless</p> </li> <li>In the case of loans provided for the renovation of residential real estate, a maximum of 40 calendar days is set for the use of the amount for each stage.</li> <li>In the case of loans provided for the purpose of construction of residential real estate, a maximum of 150 calendar days is set for the use of the amount for each stage.</li> </ul>	
<b>Way of provision</b>	<b>In stages, Cashless</b>	
<b>Loan application study fee</b>	AMD 5000 <i>which is subject to proportional reduction only in case of loan disbursement and repayment of the loan prior to the term.</i>	
<b>Loan arrangement is carried out</b>	<p>By ARMECONOMBANK OJSC head office and branches. Except for Nairi MC, Rossia-1 and Araratyan branches.</p> <p>The loan is submitted to the competent body for consideration 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 the account opened with ARMECONOMBANK OJSC.</p> <p>The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.</p>	
<b>Decision and provision 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)	

Requirements to Borrower	<ul style="list-style-type: none"> <li>• Resident individual over 18 years <ul style="list-style-type: none"> <li>• Registered and living in the Republic of Armenia</li> <li>• Has a constant income source acceptable by the Bank</li> </ul> </li> <li>• The borrowers age cannot exceed 65 years as of the set deadline of the loan to be granted. <ul style="list-style-type: none"> <li>• 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.</li> </ul> </li> </ul>
Insurance	<ul style="list-style-type: none"> <li>• Real estate insurance is carried out 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 in the amount of the loan balance. The tariffs vary from 0.16% to 0.18% of the loan balance. The annual insurance premium is calculated in the amount of 2% of the insurance amount (this tariff is applied in cases when insurance certificates will be signed and resigned between “Sil Insurance”ICJSC for accidents of the real estate to be acquired and borrower/co-borrower, otherwise the tariff is set at 2.7%).</li> </ul> <p>Is not subject to reduction in case of early repayment of the loan.</p>
Real estate appraisal	<p>Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, according to the tariff determined by the latter (AMD 20.000).</p> <p>Is not subject to reduction in case of early repayment of the loan.</p>
Expenses related to collateral arrangement	<ul style="list-style-type: none"> <li>• Notary fee-AMD 15.000-AMD 25.000</li> <li>• unified reference (on restrictions of a real estate)- AMD 10.000</li> <li>• real estate collateral right registration certificate –AMD 27.000-75.000</li> </ul> <p><b><i>Is not subject to reduction in case of early repayment of the loan.</i></b></p>
Encashment fee	<p>In case of encashment of the loan amount, encashment fee is charged as per the tariffs set by the Bank*.</p>
Penalties	<p>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).</p>
Real estate to be acquired	<p>Residential real estate located in RA territory (apartment, residential house)</p>
Positive decision grounds	<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 sufficient collateral</li> </ul>
Negative decision grounds	<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>
Provision of extract	<p>Free of charge</p>

**Documents to be presented by individuals**

1. Passport copies, as well as those of the family members (2 copies),
2. Marriage certificate copy (if any),
3. Statement from the residence,
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),
5. Document containing public services number,
6. Copy of property certificate (of the acquired apartment) if necessary, copy of the document serving as a basis for certificate provision,
7. Estimate of renovation (reconstruction) expenses (expenses per articles)
8. Photos of renovated real estate (detailed),
9. Statement that the present apartment is not under barrage (the original and 1 copy), to be presented after loan confirmation,
10. Copy of Diploma (if any), Other documents, if necessary.

1. Energy efficiency of loans is determined by:

- Filling in the pre-estimate (the tool for evaluating energy efficiency) posted on the website of National Mortgage Company RCO CJSC (nmc.am) in case of renovation and construction loans,
- From the list of available energy-efficient buildings available in the website of National Mortgage Company RCO CJSC (nmc.am) for loans for the purchase of real estate from multi-apartment buildings

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

**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.

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 monthly payable amounts unchanged

**Attention!**

In case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement, the borrower may be deprived of his/her rights to apartment.

**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!**

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

**Attention!**

The proposal on signing a loan agreement is effective for seven business days (thinking time), unless a longer period is 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: [https://www.aeb.am/uploads/varkayin\\_sakagneri\\_havelvac\\_eng.pdf](https://www.aeb.am/uploads/varkayin_sakagneri_havelvac_eng.pdf)

Mortgage loans provided within the framework of own resources of the bank								
		at fixed interest rate			at fixed adjustable interest rate***			
		AMD	USD	EUR	AMD		USD	EUR
Primary market (with the availability of documents certifying the income of the borrower)	Loan/pledge*	90	70	70	Up to 70% inclusive	70-90% inclusive**	70	70
	Annual interest rate (%)	16	12	11	13	13.5	10.5	10
	Loan term (month)	120	120	120	120-240	120-240	120-240	120-240
	Loan amount	1.000.000-100.000.000	2.000-250.000	2.000-250.000	1.000.000-100.000.000	1.000.000-100.000.000	2.000-250.000	2.000-250.000
Loans for real estate, renovation, construction and acquisition of real estate from the secondary market (with the availability of documents certifying the borrower's income)	Loan/pledge*	90	70	70	Up to 70% inclusive	70-90% inclusive**	70	70
	Annual interest rate (%)	16	12	11	15	15.5	10.5	10
	Loan term (month)	120	120	120	120-240	120-240	120-240	120-240
	Loan amount	1.000.000-100.000.000	2.000-250.000	2.000-250.000	1.000.000-100.000.000	1.000.000-100.000.000	2.000-250.000	2.000-250.000
Primary and secondary market (with the availability of documents certifying the borrower's income)	Loan/pledge*	-	50	50	-	-	50	50
	Annual interest rate (%)	-	14	13	-	-	12	11
	Loan term (month)	-	120	120	-	-	120-240	120-240
	Loan amount	-	2.000-100.000	2.000-100.000	-	-	2.000-100.000	2.000-100.000

\*The market price of additional property and the minimum of the values of the market price of the property to be acquired and the market price of additional property/if available/ should be taken as a basis of the value of collateral

\*\* in case of exceeding 70% of loan/pledge ratio pledge of additional property or prepaid insurance in the amount exceeding 70% is needed

\*\*\* The interest rate remains unchanged for the first 36 months. 36 months later the interest rate is changed in accordance with the below-mentioned calculation:

$$R_a = R_f + R_v$$

where  $R^d$  is the Fixed Adjustable Interest Rate,  
 $R_f$  - Fixed component  
 $R_v$  - Variable component

**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
<b>"VM-RP" LLC</b>	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 insurance companies 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 of making the payments for goods, services or works 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 the USA to find out whether you are a U.S. taxpayer or not, the bank institutions may collect additional information about the agreements, contracts, cooperation or 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 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=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 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 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 PENALTIES;

-ACCRUED INTERESTS;

-INSURANCE PREMIUMS (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)/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 interest rate and 12 months tenor (while calculating monthly accrued interests a number of 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 regulatory 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 invested in the Bank;
- Being a significant borrower;
- Social considerations (medical organizations, educational institutions, etc.);
- Being the head of such organizations;
- Other objective conditions.

9. The borrower pays interest to the bank for using the loan amount, the calculation of which is made to the loan balance for the calendar days of actual use of the loan based on a 365-day year. For lending 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 days off, the payment is made on the following working day without calculating a penalty for the days off.

10. Repayments of loan liability

- Loans are repaid within the dates indicated in Loan Agreement.
- Loans are repaid in the currency in which they have been formulated.



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 presented by the borrower 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.
- In case of other objective reasons.

12. The Bank may accept as collateral:

- Real estate: lands, houses, buildings, apartments;
- Fixed assets;
- Circulating assets;
- Motor vehicles;
- Precious metals;
- Treasury bills, foreign currency, shares;
- 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 a pledged real estate is based on the market value indicated in

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 point 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 points 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 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-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 LENDER-PLEDGER.

5. The duration of process of sale of pledged property may not become a ground for cessation of increase in 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 satisfy CREDITOR-PLEDGEE'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/](https://www.aeb.am/en/mobile_banking/)

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