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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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HOUSING FOR YOUNG FAMILIES			
Loan type	"Affordable housing for young families " national target program		
Loan purpose	Residential real estate acquisition		
Loan currency	AMD		
Loan amount	Primary market	Secondary market	
	AMD 1.000.000-27.750.000	AMD 1.000.000-22.500.000	
Annual interest rate (fixed)		Secondary market	Primary market
	Loan to pledge value ratio (the market value of the property to be acquired or the minimum of the acquisition values and the market value of the additional property/if any/ shall be taken as a basis for the pledge value)	Annual interest rate	
	Up to 70% inclusive	6.80%	7.50%
	70-92.5% inclusive, except for the rural settlements of RA, the loan to pledge value of which is defined maximum 70%	7.30%	
Annual actual interest rate	Primary market- 8.48-10.5% Secondary market- 3.81-8.32%		
Subsidized interest rate	Within the framework of the state target program "Affordable housing to young families", the government will provide subsidies only in case of acquiring an apartment / dwelling exclusively from the secondary market. <ul style="list-style-type: none"> In case of acquiring real estate in Yerevan city -2% In case of acquiring real estate in the regions of the RA -4% 		
Loan term	from 120 up to 240 months		
Prepayment	<ul style="list-style-type: none"> In case of primary market minimum 20% , secondary market -30%, or Minimum 7.5% for primary market and 10% for secondary market, if another residential real estate is pledged by the Borrower in addition to the residential property or apartment to be acquired or an advance payment insurance in the amount exceeding 80% in case of primary market and 70% in case of secondary market is available. 		
Redemption frequency	Monthly		
Loan redemption procedure	Monthly, equally (annuitant), or Non-equally (differential).		
Security	Acquired Real Estate (if necessary other residential real estate, which shall be co-borrower's property)		
Loan to pledge value ratio	<ul style="list-style-type: none"> In case of primary market - maximum 80% of acquired real estate market and acquisition minimum value , in case of secondary market- 70%, The maximum amount can be in the amount of 90% of the market and acquisition minimum value of residential property to be acquired, if another residential real estate is pledged by the borrower, moreover in case of collateral of the residential real estate to be acquired and an additional real estate, the amount of the loan shall not exceed 80% of the total market value of pledged real estates, in case of acquisition of an apartment from the primary market, and 70% in case of acquisition of an apartment from the secondary market, or a prepayment insurance exceeding 70% of the amount (in case of acquisition of apartment from the primary market -80%) is available . 		
Grant way	Cashless		

Loan application study fee	<ul style="list-style-type: none"> • AMD 5000 for the study of the loan application, <i>which is subject to proportional reduction only in case of loan provision and repayment ahead of time.</i>
Pre-approval application study fee	AMD 10,000, which is subject to proportional reduction only in case of loan provision and early repayment of the loan.
Loan arrangement is realized	<p>By ARMECONOMBANK OJSC head office and branches with the exception of Nairi MC, Rossia-1 and Araratyan branches.</p> <p>The loan is presented to the competent body if the applicant (borrower/co-borrower) credited minimum 80% of the difference of assessed market value of the real estate (if the acquisition value is less, then the acquisition value) and the difference of the loan amount to be provided to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.</p>
Decision 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"> • The total age of spouses should not exceed 70. • Single parent whose age does not exceed 35. • The net income of the borrower must not exceed AMD 800.000 • Neither of the spouses shall own a residential real estate more than 18 square meters within RA territory.
Guarantee	<ul style="list-style-type: none"> • Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter, minimum by calculating the loan balance. The tariffs vary from 0.16% to 0.18% of the loan balance. • 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 minimum in the amount of the loan balance. The tariffs vary from 0.16% to 0.18% of the loan balance. 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 certificates with SIL Insurance ICJSC on the insurance of the real estate to be acquired and for accidents of the Borrower and Co-borrowers, otherwise 2% tariff will be defined), <i>which is not subject to reduction in case of early repayment of the loan.</i>
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 assessment organization- AMD 20.000.</p> <p><i>Is not subject to reduction in case of early repayment of the loan.</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 Cadastre Committee)</p> <ul style="list-style-type: none"> • 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 <p><i>Is not subject to reduction in case of early repayment of the loan.</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, 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 Republic of Armenia should not exceed AMD 30 million for the primary market and AMD 25 million for the secondary market, and at the same time the estimated value should not exceed AMD 31 million and AMD 26 million respectively.
Positive decision grounds	<ul style="list-style-type: none"> • Positive credit history (if any) • Credibility of the presented documents • Stable source of income • Availability of acceptable collateral • Conformity with "Affordable housing for young families" state purpose project criterion.

Negative decision grounds	<ul style="list-style-type: none"> • Negative assessment of customers financial state • Non-credibility of the presented documents • Inadequacy of the "Affordable housing for young families" state purpose project criterion. • Customer's negative loan history • Other reasons that will hamper the loan repayments according to the Bank assessment.
Provision of statement	Free of charge
Documents presented by individuals	<ol style="list-style-type: none"> 1. Passport copies, as well as those of the 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 provision of acquired apartment certificate, if necessary), 8. Statement claiming that the present apartment is not under barrage (the original and 1 copy) <u>to be presented after the confirmation of the loan,</u> 9. Passport copy of the vendor (proprietors), 10. 3rd form of the acquired apartment (from the Passport Division), 11. Diploma copy (if any), 12. Statement from the cadastre information center about the applicant's and husband's (wife) real estate 13. Other documents, if necessary

*To get acquainted with the tariffs of the Bank, please visit the link - https://www.aeb.am/en/business_cash/

Attention!

In case of a rejection or termination of refunding when providing mortgage loans within the framework of this decision, the loan interest rate is defined 14% per year, except for the loans of energy-efficient renovation works of apartments and properties within RA, in case of which there is no interest change.

Attention!

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

Attention!

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

At the customer's choice, the Bank

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

Attention!

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

Attention!

The mortgage agreement shall be verified by notary.

Attention!

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

Attention!

Interest is calculated on the loan balance.

Attention!

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

Attention!

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

Attention!

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

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

Attention!

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/varkeyin_sakagneri_havelvac_eng.pdf

MORTGAGE LOAN (ACQUISITION)		
Loan type	Mortgage loan	
Loan purpose	Residential real estate acquisition <ul style="list-style-type: none"> • The loans refunded by “National Mortgage Company” RCO CJSC have been temporarily suspended. • In case of loans provided in AMD within the framework of “National Mortgage Company” RCO CJSC 	
Loan amount	Loan/pledge ratio	Annual interest rate ¹
AMD 1.000.000-AMD 35.000.000	Up to 70% inclusive	13.00%
	70-90% inclusive	14%
AMD 35.000.001- AMD 60.000.000 Energy-efficient loans in the amount of AMD 3.000.001-AMD 45.000.000 ³	Up to 70% inclusive	15.50%
	70-90% inclusive, except for the rural settlements of RA, the loan to pledge value of which is defined maximum 70%	16.00%
	Up to 70% inclusive	12.50%
	70-90% inclusive, except for the rural settlements of RA, the loan to pledge value of which is defined maximum 70%	13.00%
Effective annual interest rate	12.65-16.95%	
Redemption frequency	Monthly	
Loan redemption procedure	Monthly equally (annuitant) or non-equally /differential/	
Security	Real estate to be acquired (also other residential real estate if needed)	
Prepayment	In case of lending under program resources (AMD)- 30% 10% a) If another residential real estate is being pledged besides the collateral of the residential real estate to be purchased, moreover, the loan amount cannot exceed the 70% of the total market price of the pledged real estates, or b) There is an unpaid advance insurance for amount exceeding 70% of the loan/collateral ratio.	
Loan to pledge value ratio	<ul style="list-style-type: none"> • Maximum 70% of the liquidation value of the acquired real estate. • In case of AMD mortgages, the maximum loan amount can be at least 90% of the market and acquisition value of the acquired residential property if another residential real estate is pledged by the borrower, moreover the loan amount cannot exceed 70% of the total market value of the pledged real estates, or a prepayment insurance in the amount exceeding 70% is available. 	
Grant way	Cashless	
Loan application study fee	AMD 5000 which is subject to proportional reduction only in case of loan provision and repayment ahead of time.	
Pre-approval application study fee	AMD 10.000 which is subject to reduction only in case of loan provision and early repayment of the loan	
Loan arrangement is realized	By ARMECONOMBANK OJSC head office and branches, with the exception of Nairi MC, Rossia-1 and Araratyan branches. The loan is presented to the competent body for discussion if the applicant (borrower, co-borrower) credited minimum 80% of the difference of the amount of assessed market value of the real estate (if the acquisition value is less, then the acquisition value) to be acquired and the loan amount to be provided to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account until the competent body makes a decision on the loan provision or rejection.	

Decision and provision period	Up to 20 business days (in case of pledge the loan is provided within 5 business days following the receipt of collateral registration right)
Requirements to Borrower	<ul style="list-style-type: none"> • Resident individual over 18 years • Registered and living in the Republic of Armenia • Has a constant income source acceptable by the Bank • The borrowers'/co-borrowers' age cannot exceed 65 years as of the set deadline of the loan to be granted <p>An exception may be made for those applications where, if the income of the borrower or co-borrower who is over 65 years old as of the loan repayment deadline is not taken into account, the sum of net income will be greater than or equal to the sum of payments for considered obligations of the borrower and co-borrowers.</p>
Guarantee	<ul style="list-style-type: none"> • Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs may vary from 0.16-0.18% of the loan balance. • Accident insurance of the Borrower and Co-borrowers (except for the co-borrowers having no income) is carried out by the customer 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. <p>The annual insurance premium of the advance payment is calculated in the amount of 2% of the insurance premium (the tariff applies if insurance certificates will be signed or renewed with Sil Insurance ICJSC by the client on insurances from acquired real estate and on accident insurance of the borrower/co-borrower, otherwise the tariff is set at 2.7%).</p> <p><i>Is not subject to reduction in case of early repayment of the loan.</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 early repayment of the loan.</i></p>
Expenses related to the collateral arrangement	<p>All the expenses related to the arrangement of the collateral (notarization, registration of the real estate in territorial subdivisions of Cadastre Committee) shall be borne by the borrower</p> <ul style="list-style-type: none"> • Notary fee - AMD 15.000-25.000 • joint reference (on restrictions against real estate) - AMD 10.000 • Certificate on the registration of right to real estate- AMD 27.000-75.000 <p><i>Is not subject to reduction in case of early repayment of the loan.</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, 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).
Real estate to be acquired	Residential real estate (apartment, residential house) located in the territory of RA
Positive decision grounds	<ul style="list-style-type: none"> • Positive credit history (if any) • Credibility of the presented documents • Stable source of income • Availability of acceptable collateral
Negative decision grounds	<ul style="list-style-type: none"> • Negative assessment of customers' financial state • Non-credibility of the presented documents • Customer's negative loan history • Other reasons that will hamper the loan repayments according to the Bank assessment.
Provision of statement	Free of charge
Documents to be presented by	1. Passport copies, as well as those of the family members,

individuals	<ol style="list-style-type: none"> 2. Marriage certificate copy(if any), 3. Statement from the workplace (if necessary, information about the net salary, income tax, size of social payments paid during the last 12 months, and copies of work books), 4. Document containing public services number, 5. Copy of property certificate (of the acquired apartment) if necessary, copy of the document serving as a basis for certificate provision, 6. Statement that the apartment is not under barrage (the original and 1 copy), <u>to be presented after loan confirmation.</u> 7. Passport copy of the vendor (proprietors), 8. 3rd form of the acquired apartment /from the Passport Division/ 9. Copy of Diploma (if any), 10. Other documents, if necessary.
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Attention!

In case of a rejection or termination of refunding when providing mortgage loans within the framework of this decision, the loan interest rate is defined 14% per year, except for the loans of energy-efficient renovation works of apartments and properties within RA, in case of which there is no interest change.

Attention!

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

Attention!

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

At the customer's choice, the Bank

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

Attention!

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

Attention!

The mortgage agreement shall be verified by notary.

Attention!

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

Attention!

Interest is calculated on the loan balance.

Attention!

After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, provides the consumer with an individual leaflet based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer 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.

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¹ The given tariffs are valid in case of acquisition residential real estate).

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 and* an interest rate envisaged for the acquisition of residential real estate within the framework of the relevant program available at the Bank as of the date of making decision on loan provision is defined.

³ The energy-efficiency of loans is determined by:

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

In case of a rejection or termination of refunding when providing mortgage loans within the framework of this decision, the loan interest rate is defined 14% per year, except for the loans of energy-efficient renovation works of apartments and properties within RA, in case of which there is no interest change.

Attention!

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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 for **the borrower's and co-borrower's all loans /acting and repaid/ shall not exceed 30** calendar days within the last 12 months.

Attention!

Interest is calculated on the loan balance.

Attention!

After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, provides the consumer with an individual leaflet based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer 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.

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Attention!

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

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

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MORTGAGE LOAN (CONSTRUCTION, RENOVATION)		
Loan type	Mortgage loan	
Loan purpose	Residential real estate renovation or construction	
Loan sum	In case of loans provided with the aim of construction of residential houses, the maximum amount of loan should not exceed the 80% of the pre-estimate amount for the construction works presented.	
Loan amount	Loan/ pledge ratio	Annual interest rate*
AMD 1.000.000-AMD 35.000.000	Up to 70% inclusive	14%
In the amount of AMD 35.000.001-AMD 60.000.000	Up to 70% inclusive	16.00%
Energy-efficient loans ¹ in the amount of AMD 3.000.001-AMD 45.000.000	Up to 70% inclusive	13.50%
Annual actual interest rate	13.25-16.95%	
Redemption frequency	Monthly	
Loan redemption procedure	Monthly- equally (annuitant), or Non-equally (differential).	
Security	Real estate to be renovated, in case of construction – other residential real estate	
Loan to pledge value ratio	<ul style="list-style-type: none"> • In case of renovation maximum 70% of the liquidation value of the residential real estate to be renovated or pledged • In case of construction of a residential real estate maximum 70% of the liquidation value of the pledged real estate <p>In stages By cash and cashless</p> <ul style="list-style-type: none"> • In case of loans granted for renovation of a residential real estate, maximum 40 calendar days are defined for the use of the amount of each stage. • In case of loans granted for the construction of real estate maximum 150 calendar days are defined for the use of the amount of each stage. 	
Grant way	In stages, Cashless	
Loan application study fee	AMD 5000 <i>which is subject to proportional reduction only in case of loan provision and early repayment of the loan.</i>	
Pre-approval application study fee	AMD 10.000, <i>which is subject to proportional reduction only in case of loan provision and early repayment.</i>	
Loan arrangement is realized	<p>By ARMECONOMBANK OJSC head office and branches, with the exception Nairi MC, Rossia-1 and Araratyan branches.</p> <p>The loan is presented to the competent body for discussion if the applicant (borrower/co-borrower) credited minimum 80% of the difference of the amount of assessed market value of the real estate (if the acquisition value is less, then the acquisition value) to be acquired and the loan amount to be provided 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"> • Resident individual over 18 years • Registered and living in the Republic of Armenia • Has a constant income source acceptable by the Bank • The borrower's /co-borrower/s/ age cannot exceed 65 years as of the set deadline of the loan to be granted <p>An exception may be made for those applications where, if the income of the borrower or co-borrower who is over 65 years old as of the loan repayment deadline is not taken into account, the sum of net income will be greater than or equal to the sum of payments on considered obligations of the borrower and co-borrowers.</p>	

Guarantee	<ul style="list-style-type: none"> • Real estate security is made by the customer at the insurance company licensed by RA CB, according to the tariff determined by the latter. The tariffs vary from 0.16% to 0.18% of the loan balance. • 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. <p>The annual insurance premium of the advance payment is calculated in the amount of 2% of the insurance premium (the tariff applies if insurance certificates will be signed or renewed with Sil Insurance ICJSC by the client on insurances from acquired real estate and on accident insurance of the borrower/co-borrower, otherwise the tariff is set at 2.7%).</p> <p><i>Is not subject to reduction in case of early repayment of the loan.</i></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 assessment organization (AMD 20.000).</p> <p><i>Is not subject to reduction in case of early repayment of the loan.</i></p>
Collateral arrangement expenses	<p>All the expenses related to collateral arrangement (notarization, registration of the real estate in territorial subdivisions of Cadastre Committee) shall be borne by the borrower.</p> <ul style="list-style-type: none"> • Notary fee - AMD 15.000 -25.000 • Joint reference (on restrictions against real estate) - AMD 10.000 • Certificate on the registration of right to real estate- AMD 27.000-75.000 <p><i>Is not subject to reduction in case of early repayment of the loan.</i></p>
Encashment fee	<p>In case of encashment of the loan amount, encashment fee is charged per the tariffs set by the Bank*.</p>
Positive decision grounds	<ul style="list-style-type: none"> • Positive credit history (if any) • Credibility of the presented documents • Stable source of income • Availability of acceptable collateral
Negative decision grounds	<ul style="list-style-type: none"> • Negative assessment of customers' financial state • Non-credibility of the presented documents • Customer's negative loan history • Other reasons that will hamper the loan repayments according to the Bank assessment.
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>
Provision of statement	<p>Free of charge</p>
Documents to be presented by individuals	<ol style="list-style-type: none"> 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 net salary, income, size of social payments paid 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 (construction) 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), <u>to be presented after loan confirmation.</u> 10. Copy of Diploma (if any) 11. 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,
- The list of 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/.**

Attention!

In case of a rejection or termination of refunding when providing mortgage loans within the framework of this decision, the loan interest rate is defined 14% per year, 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 more member of the Borrower's family.

Attention!

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

Upon the Customer's choice the Bank

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

Attention!

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

Attention!

The mortgage agreement shall be verified by notary.

Attention!

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

Attention!

Interest is calculated on the loan balance.

Attention!

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

Attention!

"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 the draft on signing 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 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: 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 absence 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 or the the minimum of the acquisition values and the market price of additional property/if available/ should be taken as a basis of the value of collateral

** If the loan/collateral ratio exceeds 70%, additional property pledge or unpaid down payment insurance in the amount exceeding 70% is required.

*** 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^a is the Fixed Adjustable Interest Rate,

R_f – Fixed component R_v –Variable component

**** Application study fee is set at AMD 5000, which is subject to proportional reduction only in case of loan provision and repayment ahead of the term.

**** The pre-approval application study fee is AMD 10.000, which is subject to proportional reduction only in case of loan provision and repayment ahead of the term.

Attention!

In case of a rejection or termination of refunding when providing mortgage loans within the framework of this decision, the loan interest rate is defined 14% per year, 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 more member of the **Borrower's family**.

Attention!

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

Upon the Customer's choice the Bank

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

Attention!

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

Attention!

The mortgage agreement shall be verified by notary.

Attention!

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

Attention!

Interest is calculated on the loan balance.

Attention!

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

Attention!

"Your Financial Informer" 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 the draft on signing 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.

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
"ANT REALTY" LLC	Tigran Mets avenue, Bld. 49, Kentron adm. dis., Yerevan, RA	(096) 52 25 40 (077) 52 25 46
"ESTATE" LLC	49 Tigran Mets avenue, Yerevan	041-77-41-00
RA CCI "ARMEXPERTIZA" LLC	Garegin Nzhdeh St, 26 Bld., Yerevan, RA	(010) 44 34 36 , (010) 44 28 48
"VM-RP" LLC	8 Vardanants Str., Yerevan, RA	(010 -58 87 97, (099) 58 87 97
"AMINTAS GROUP" LLC	Artsakhi Ave., 23/6 Building, Yerevan, RA	(010) 43 22 76 , (096) 43 22 76, (094) 43 22 76
RVM consult LLC	Nalbandyan St., 48/1 Building, 2nd Floor, Yerevan, RA	(010) 54 64 90, (098) 94 44 49, (077) 94 44 49
"Oliver Group" LLC	215-216, 8 Tumanyan str., Yerevan	(010) 54 27 40, (010) 54 27 50, (010) 54 27 60, 077/091/055 54 27 50

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

The insurance companies are as follows:

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

The amounts to be paid by the consumer, irrespective of the fact that the payments for goods, services or works 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, membership 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 guaranty of another person / persons.

Attention!

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

Attention!

IN CASE OF NON-FULFILLMENT OR INCOMPLETE FULFILLMENT OF YOUR OBLIGATION, THIS INFORMATION IS SENT TO THE CREDIT BUREAU WITHIN 3 WORKING DAYS, WHERE YOUR CREDIT HISTORY IS FORMED. YOU HAVE THE RIGHT TO GET YOUR CREDIT HISTORY FROM THE CREDIT BUREAU ONCE A YEAR FREE OF CHARGE. (

<https://acra.am/?lang=hy>).

Attention!

LOAN INTEREST RATES ARE CALCULATED BASED ON NOMINAL INTEREST RATE. THE ANNUAL INTEREST RATE SHOWS HOW MUCH THE LOAN AND OTHER PAYMENTS WILL COST FOR YOU WITHIN A LIMITED PERIOD. YOU CAN GET ACQUAINTED WITH THE ANNUAL ACTUAL INTEREST CALCULATION PROCEDURE 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, WHILE FULFILLING YOUR OBLIGATION THE LOAN REPAYMENT ARRANGEMENTS ARE MADE IN THE FOLLOWING SEQUENCE:

- COURT COSTS (IF ANY);
- COLLATERAL SALE COSTS (IF ANY);
- ACCRUED PENALTY;
- ACCRUED INTEREST;
- INSURANCE COSTS (IF ANY);
- LOAN PRINCIPAL

4. NOTE: 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 as a number of days 30 days period was taken into account).

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

7. The Bank applies no limits to loan amount; it will be conditioned by and related to:
- *Purpose of loan;*
 - *Customer's creditworthiness;*
 - *Loan security offered by the customer;*
 - *Loan risk assessment;*
 - *Requirements of prudential standards provided by the Central Bank of Armenia.*
8. ARMECONOMBANK OJSC can offer the customer services under terms which may differ from those set forth in the Bank's overall policy due to any of the following conditions:
- *Customer account balance;*
 - *Customer account turnover;*
 - *Strategic importance of the customer for the Bank;*
 - *Number of employees in customer organization;*
 - *Total number of cards issued for customer organization;*
 - *Income brought to the bank;*
 - *Volume of transfers;*
 - *Size of deposits with the Bank;*
 - *Being a significant borrower;*
 - *Social considerations (educational institutions, medical organizations etc.);*
 - *Being the head of such organization;*
 - *Other objective conditions.*
9. The borrower pays interest to the bank for using the loan amount. The interest is calculated on the loan balance for the calendar days of actual use of the loan based on a 365-day year. For loans under specific projects the interest calculation may be based on a 360-day year.
- *Loans are repaid within the dates indicated in Loan Agreement.*
 - *The periodicity of interest payments is determined in accordance with the loan agreement or repayment schedule.*
 - *If the repayment date for principal or interest falls on day off, the payment is made on the following working day without calculation of penalty for the days off.*
10. Repayment of Loans
- *Loans are repaid within the dates indicated in Loan Agreement.*
 - *Loans are repaid in the currency in which they were given.*
11. The Bank may terminate the Loan Agreement and request repayment of the loan amount, if
- *The borrower has failed to make any payment required under Loan Agreement.*
 - *The borrower has breached any commitment made by the borrower and fails to correct such breach within 30 days following the occurrence thereof.*
 - *It turns out that 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; detached houses;*
 - *Fixed assets;*
 - *Circulating assets;*
 - *Motor vehicles;*
 - *Precious metals;*
 - *Treasury bills, foreign currency, stocks;*
 - *Property to be purchased and ownership right;*
 - *Cash.*

13. The Bank shall not accept the following items as a collateral
 - *Non-circulating assets;*
 - *Separate parts of indivisible property*
 - *Leasing right;*
 - *Property already pledged under another contract to 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, 21.5% annual interest rate is applied to the balance of non-overdue loan (term loan). The interest rate specified in the Credit Agreement is recovered to the term loan from the day after the overdue amounts and the penalties calculated for them are paid in full.
1. To settle the claim of CREDITOR-PLEDGEE, the pledged property may be confiscated in extrajudicial manner pursuant to paragraphs 2-4 of these Rules in case of non-fulfillment or improper fulfillment of the obligations by PLEDGER under Collateral Agreement and by BORROWER under Loan Agreement.
2. The property confiscated in extrajudicial manner may be sold if under Pledge Agreement PLEDGER has authorized CREDITOR-PLEDGEE to sell the pledged property upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules without seeking court intervention and so fully recover the claim covered by the collateral and has also agreed to transfer without seeking court intervention the ownership of the pledged property against the respective part of main liability to CREDITOR-PLEDGEE or any person designated by the latter in the manner provided by RA legislation.
3. Upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules, CREDITOR-PLEDGEE shall duly notify PLEDGER in writing of confiscation of the pledged property (confiscation notice). In two months following the date of delivery of confiscation notice to PLEDGER, CREDITOR-PLEDGEE shall have the right, pursuant to Article 195 of RA Civil Code, to sell the pledged property directly or through public auction pursuant to RA Law on Public Bidding.
4. PLEDGER undertakes to transfer the pledged property to CREDITOR-PLEDGEE within two months following the date of delivery of confiscation notice to PLEDGER.
5. The duration of process of sale of pledged property may not become a ground for cessation of growth of BORROWER's liabilities to CREDITOR-PLEDGEE. Moreover, the proceeds from sale of collateral shall be utilized to fully cover CREDITOR-PLEDGEE's claims to BORROWER existing as of the date of sale of collateral and, should the claim not be covered on the account of the collateral, the outstanding amounts may be confiscated from other property of BORROWER.
6. Confiscation of the property pledged to cover CREDITOR-PLEDGEE's claims by court order may be executed in the manner provided by RA legislation.
16. You can get acquainted with the tariffs on each service by following 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 SUPERVISED BY THE CENTRAL BANK OF ARMENIA