

Approved by
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of ARMECONOMBANK OJSC Executive Board
Chairman of the Executive Board
A. Arakelyan

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For details please apply to the Bank*



INFORMATION BULLETIN

**of loans for apartments/ residential houses provided to
families forcibly displaced from Nagorno Karabakh
/Program 2/**

YEREVAN 2024

**HOUSING PROVISION PROGRAM TO FAMILIES FORCIBLY DISPLACED
FROM NAGORNO KARABAKH 2**

Loan type	Housing provision program to families forcibly displaced from Nagorno Karabakh 2			
Loan purpose	Acquisition of apartment/dwelling Construction of a private dwelling			
Loan currency	AMD			
Location of the real estate	Terms	Mortgage loans at fixed interest rates provided by own resources	Mortgage loans at fixed adjustable interest rates* provided by own resources	Mortgage loans** provided within the framework of National Mortgage Company RCO CJSC
Appendix 2* Separate settlements of RA	The amount of support for each person of the family in case of the right to buy an apartment or an apartment in a building under construction, or in case of acquisition or construction of a residential house	AMD 5,000,000	AMD 5,000,000	AMD 5,000,000
	Loan interest rate	13%	Refinance interest rate of the Central Bank +4%	11%
	Loan term	120 months	120 months	120 months
	Minimum prepayment	0%	0%	0%
	Loan/ pledge ratio	100%	100%	100%
Appendix 3* Separate settlements of RA	The amount of support for each person of the family in case of the right to buy an apartment or an apartment in a building under construction, or in case of acquisition or construction of a residential house	AMD 4,000,000	AMD 4,000,000	AMD 4,000,000
	Loan interest rate	13%	Refinance interest rate of the Central Bank +4%	11%
	Loan term	120 months	120 months	120 months
	Minimum prepayment	0%	0%	0%
	Loan to pledge value ratio	100%	100%	100%

The rest of the RA settlements (except for the 1st and 2nd zones included in the administrative territory of the city of Yerevan)	The amount of support for each person in the family in case of the right to buy an apartment or an apartment in a building under construction, or in case of acquisition or construction of a residential house	AMD 3,000,000	AMD 3,000,000	AMD 3,000,000
	Loan interest rate	13%	Refinance interest rate of the Central Bank+4%	11%
	Loan term	120 months	120 months	120 months
	Minimum prepayment	0%	0%	0%
	Loan/ pledge ratio	100%	100%	100%

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

*In case of mortgage loans with a **fixed adjustable interest rate** within the framework of own resources, the loan interest rate remains unchanged during the 36 months following the moment of loan issuance and starting from the 37th month, it is transformed into a floating interest rate, changing to the refinance rate of the Central Bank in case of changes greater than +/- 1%.

**In case of mortgage loans provided by the National Mortgage Company, the borrower and the co-borrower /s/ must be members of the same family (the composition of the family members is defined in the Procedure of National Mortgage Company).

*** The age of the borrower included in the certification cannot exceed 65 years as of the deadline date of the provided loan. In the event that the age of the borrower and co-borrower(s) exceeds 65 years as of the set deadline of the loan provided, then when examining the loan case, a child or grandchild who is a possible heir of the borrower, who is not included in the certification provided by the state, will be considered as only co-borrower.

The main terms of the program are:

All members of the beneficiary family have the citizenship of the Republic of Armenia.

The area of the apartment or individual residential house to be acquired or built should not be less than 12 square meters per each member of the beneficiary family.

The price of an apartment to be acquired or the right to buy an apartment in a building under construction or the acquisition price of an individual residential house should not exceed AMD 55 mn.

The ownership right to purchase an apartment or an apartment in a building under construction, or an individual residential house or an individual residential house under construction and the plot of land intended for its construction, is registered in the name of all members of the beneficiary family.

The right to buy an apartment or an apartment in a building under construction, or the preference right to purchase belongs to the state in the case of expropriation of an individual residential house.

Attention. The amounts directed towards the repayment of monthly fees (Loan Principal and interests) of mortgage loan are subsidized by Unified Social Service of the Ministry of Labour and Social Affairs of the Republic of Armenia. The subsidized funds must be directed exclusively to the repayment of Principal and interests. Set annuity repayment schedule for mortgage loans.

Attention. Do not apply availability of income, borrower and co-borrower accident insurance, unpaid down payment insurance and property insurance as mandatory requirements.

Attention. The family (family member) can benefit from the program once as a beneficiary (within a mortgage loan).

Attention. The age of the borrower included in the certification cannot exceed 65 years as of the deadline date of the provided loan. In the event that the age of the borrower and co-borrower(s) exceeds 65 years as of the set deadline of the loan provided, then when examining the loan case, a child or grandchild who is a possible heir of the borrower, who is not included in the certification provided by the state, will be considered as only co-borrower.

Attention. If the beneficiary family chooses the individual residential house construction component of the project, the price of the realized certificate may also include the cost of acquiring a plot of land with an area of at least 400 square meters and the cost of acquiring a plot of land in accordance with the model design and estimation documentation, but not more than AMD 3 mn.

Attention. If a positive balance arises as a result of the realization of the certificate to the right to purchase an apartment or an apartment in a building under construction or the certificate of acquisition of an individual residential house or the certificate of construction of an individual residential house and the acquisition of a plot of land, it can be realized in the following directions and limits:

- 1) purchase of an agricultural plot - up to AMD 5 mn and
- 2) repair of a real estate acquired within the framework of the program: up to AMD 4 mn and
- 3) purchase of furniture and household appliances - up to AMD 2mn.

Attention. Program support will be terminated in its entirety if:

- 1) each of at least 2 adult members under the age of 55 or 1 minor member of the family are outside the borders of the Republic of Armenia for 183 days or more during the same calendar year, except if the family member was outside of the borders of the Republic of Armenia in the first 400 of the website Academic Ranking of World Universities of the world's best higher education institutions <http://www.shanghairanking.com/#> of that year, as well as state by order, with interstate and interdepartmental agreements to study in higher educational institutions of foreign countries in bachelor's (diplomatized specialist, integrated), master's, postgraduate and other educational programs in full-time forms, or to study in military educational or civil aviation higher educational institutions, or to serve the sentence of those sentenced to prison;
- 2) during the term of the mortgage loan, the ownership right to residential real estate is registered in the name of other persons who are not members of the beneficiary family, regardless of the size of the share, except for cases of transfer by succession;
- 3) within the framework of the monthly payments made by the beneficiary during the term of the mortgage loan (if the monthly payments stipulated in the schedule exceed the established limits) overdue liabilities exceed 90 days.
Attention: The following provision approved by the resolution of mortgage loans of the ARMECONOMBANK OJSC does not apply to the mortgage loans provided within the framework of this program: The total number of overdue days for all loans/current and repaid/of the Borrower and co-borrower/s should not exceed 30 calendar days during the last twelve months.

Attention. The amounts directed towards the repayment of monthly fees (Loan Principal and interests) of mortgage loan are subsidized by Unified Social Service of the Ministry of Labour and Social Affairs of the Republic of Armenia. The subsidized funds must be directed exclusively to the repayment of Principal and interests.

Attention. There are fees subject to compensation for the state registration of rights to property defined by the law of the Republic of Armenia:

Property registration fee: AMD 25,000 and state duty: AMD 20,000

State registration fee for mortgage right: AMD 25,000 and state duty: AMD 1,000

For the state registration of rights to real estate located in border settlements, the fees specified by the above laws shall be charged in the amount of 50%.

Attention. Do not charge the AMD 5000 amount for the study of loan application.

Attention. Do not apply availability of income, borrower and co-borrower accident insurance, unpaid down payment insurance and property insurance as mandatory requirements.

Attention. Family members can combine certificates (maximum 3 certificates) in order to purchase joint residential real estate or build an individual residential house, in which case the amount of support will be determined according to the number of combined certificates.

Attention. For the purposes of this program, the father, mother, husband, spouse's parents, grandmother, grandfather, sister, brother, children, sister's and brother's spouses and children are considered family members. The members of the family defined by this clause can be members of the same or different beneficiary family within the framework of the program. However the same family member can be a family member of only one beneficiary family.

Attention. The family (family member) can benefit from the program once as a beneficiary (within a mortgage loan).

Attention. The ownership right to the acquired residential real estate or individual residential house under construction is registered in the name of all members of the beneficiary's family (except for children, a young member of the family who is not a beneficiary but is a borrower, and those co-borrowers who are not family members).

Attention. As of the date of the beneficiary's application, real estate acquired within the last 12 months should not be alienated.

Attention. In the event that the mortgaged residential real estate is made the object of another pledge (subsequent pledge) during the term of the mortgage loan, the payment of monetary support terminates completely (except for subsequent collateral for the renovation of residential real estate purchased within the given mortgage loan).

Attention. In case of a refusal of refinancing or termination of refinancing when providing refinanced mortgage loans within the given resolution, the interest rate of the loan is defined 14% per year, except for the loans from the state support program for energy-efficient renovation of apartments and private dwellings in the territory of RA, in which case the interest rate does not change.

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

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

At the customer's choice, the Bank

- reduces the size of monthly payments in proportion to early repaid 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 apartment.

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 terms of the loan and documents provided by the Bank provides the consumer with an Individual leaflet, which defines applicable 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.

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/hipotekayin-varker>

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 signing a loan agreement 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

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:

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 ave., 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	Vardanants St. Blind Alley, 8 Building, 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
RVM consult LLC	Nalbandyan St., 48/1 Building, 2nd Floor, Yerevan, RA	010-54-64-90, 098-94-44-49

The insurance is carried out in the amount of the loan amount or the market value of the property in insurance companies licensed by the RA CB, at rates set by the latter.

The insurance companies are as follows:

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

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 US tax payer, the bank 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. In case of real estate loan exceeding AMD 15.000.000 if a preterm repayment is made in the amount exceeding 20% of the Principle balance as of the first day of each month (which does not include repayment of the part of the loan envisaged by the repayment schedule of the given month) without the Bank's written consent, a penalty in the amount of 5% of the early repaid amount of 20% of that amount is accrued.

Attention. When applying for a loan, the Bank provides you with an individual leaflet on essential terms of consumer loan, which defines individual terms of the loan to be provided to you (In case of loans equivalent to up to AMD 15.000.000).

Attention. As an additional means of loan security, the Bank may also require the guarantee of one or more person/persons and/or a co-borrower.

Attention. In case of non-fulfillment or improper fulfillment of your obligations the lender sends your data to the credit bureau within 3 business days where your credit history is being formed. You are entitled with the right to get your credit history from the credit bureau free of charge once a year.(<https://acra.am/?lang=hy>):

Attention. Bad credit history may prevent you from receiving other loans in the future

Attention. Loan interests are calculated based on the nominal interest rate and the actual interest rate shows how much the loan will cost in case of fulfillment of loan obligations in defined terms and sizes. The actual annual interest rate calculation procedure can be found on the following link:
<https://www.aeb.am/media/2019/06/2640.pdf>.

The payments to be paid by the consumer are not included in the calculation of the actual interest rate irrespective of the fact that payments against the products, works and services have been made with or without a credit.

Attention. The nominal interest rate may be changed by the bank. The information on the changes of the nominal interest rate may be found on <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%^a of the unpaid amount for each overdue day

- 0, 13%^a of the unpaid interest amount 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/
- Principal amount of the loan.

4. Property (house, car, etc.) pledged by you may be confiscated by law in case you fail to perform your loan obligations on time.

5. In case of non- fulfillment of loan liabilities and in case the loan liabilities are covered by the collateral, and should the collateral be not enough to repay the borrower's liabilities it is possible to repay the liabilities on the account of another property of the borrower and/or guarantor(s)/co-borrower/s/.

6. Loan interests are calculated towards the loan balance.

For example if the customer is provided with a loan in the amount of AMD 1.200.000 with an annual interest rate of 24% ,with 12 months period (while calculating monthly accrued interests as a number of days 30 days period has been taken as a basis).

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. WE SHOULD REMIND THAT THE EXCHANGE RATE FLUCTUATIONS MAY HAVE AN IMPACT ON THE REPAYMENTS OF LOAN PROVIDED IN FOREIGN CURRENCY.

8. 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

9. ARMECONOMBANK OJSC can provide services to the customer under terms which may differ from those set forth in the Bank's overall policy taking into account any of the following conditions of the below-mentioned list:

- *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 (medical organizations, educational institutions, etc.);*
- *Being the head of such organization;*
- *Other objective conditions.*

10. The borrower pays interest to the bank for using the loan amount, the interest of which 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 the 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 accrued interests falls on day off, the payment is made on the following working days without calculation of penalty for the days off.*

11. Repayment of Loans

- *Loans are repaid within the dates indicated in Loan Agreement.*
- *Loans are repaid in the currency in which they were given.*
- *In case of loans in foreign currency, exchange rate fluctuations may affect loan payments*
- *In case of exchange rate fluctuations, the exchange rate risk related to loans in foreign currency will be borne by the borrower*

12. 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 confirmation made by him/her and fails to correct such breach within 30 days following the occurrence thereof.*
- *It turns out that any presentation, warranty, document, or information provided by the borrower is materially incomplete.*
- *By reasonable opinion of the Bank, an essential negative change has occurred in financial state of the borrower, 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.*

13. The Bank may accept as collateral:

- *Real estate: lands, houses, buildings, apartments; detached houses*
- *Fixed assets;*
- *Circulating assets;*
- *Motor vehicles;*
- *Precious metals;*
- *Treasury bills, foreign currency, stocks;*
- *Property to be purchased in the future and ownership right;*
- *Cash.*

14. The appraisal value of movable and immovable real estate is based on the 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 penalties 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 consecutively overdue days, **21.5%** 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 against term loan is recovered.

16. The Bank shall not accept the following items as collateral:

- *Non-circulating property*
- *Separate parts of indivisible property*
- *Leasing right*
- *The property already pledged under another contract to urban, rural, and local communities*

17. 1. To satisfy 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 the 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 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.

18. You can get acquainted with the tariffs on any service by visiting the following link:
<https://www.aeb.am/en/sakagner/>

19. You can get acquainted with the terms and conditions of remote banking services by visiting the following link:
https://www.aeb.am/hy/mobile_banking/