

Approved by

Resolution N 160/01-28.08.19

The Executive Board of ARMECONOMBANK

Dated 28 August 2019

Chairman of the Executive Board

----- A. Khachatryan

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Terms and conditions included in Bulletin may have changed.

For more information call

Tel: (37410)8686, (37410)51-09-10 (9104) - Information Desk

INFORMATION BULLETIN OF MORTGAGE LOANS

YEREVAN 2019

1. Name: ARMENIAN ECONOMY DEVELOPMENT BANK OPEN JOINT-STOCK COMPANY
Address: 23/1 Amiryan Str., Yerevan 0002, Republic of Armenia
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<i>HOUSING FOR YOUNG FAMILIES</i>			
Loan type	Mortgage loan granted for the acquisition of residential real estate within the framework of "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)	7.3%	6.8%	7.3%
	Loan to pledge value ratio up to 92.5%	Loan to pledge value ratio up to 50% included	Loan to pledge value ratio up to 50-90%
Annual actual interest rate	Primary market- 8.48-10.5% Secondary marker- 3.81-8.32%		
Subsidized interest rate	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 / dwelling from the secondary market. - 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 144 up to 240 months		
Prepayment	- In case of primary market minimum 20% and secondary market 30%, or - minimum 7.5% for primary market and 10% 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 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	- 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 estate, in case of acquisition of an apartment from the primary market and 70% in case of acquisition of an apartment from the secondary market.		
Grant way	Cash and cashless		
Commission fee	- AMD 5000 for the study of the loan application which is non-refundable, - Account service fee per month- 0.03% of loan amount but no more than AMD 5.000		
Loan arrangement is realized	ARMECONOMBANK” OJSC head office and branches. The loan is presented to the competent body if the applicant credited minimum 10% of the assessed liquidation value of the real estate to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account as long as the competent body makes a decision on the loan provision or rejection.		
Decision period	Up to 20 business day (in case of mortgage the loan is provided within 5 business days		

	following the receipt of collateral registration right)
Requirements to Borrower	• The overall mutually added age of both of the spouses should not exceed 70. • The age of one of the spouses should not exceed 35. • Only 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	• 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. 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 the insurance of the real estate to be acquired and for accidents of the Borrower and Co-borrowers, otherwise 2% tariff will be defined).
Real estate appraisal	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
Expenses related to the collateral arrangement	The borrower shall bear all the expenses related to the collateral arrangement (notarization, registration of the real estate in subdivisions of Cadastral territory) • Notary fee - AMD 15.000-25.000 • Unified reference (on restrictions against real estate) - AMD 10.000 • Certificate on the registration of right over real estate- AMD 27.000-75.000
Acquired real estate	The purchase price of a residential property (apartment, residential house) purchased in the Republic of Armenia should not exceed 30 million drams, in the case of the primary market and AMD 25 million in the secondary market, and at the same time the estimated value should not exceed 31 million and 26 million AMD.
Negative decision grounds	• Negative assessment of customers financial state • Non-credibility of the presented documents • Inadequacy of the “Affordable Apartment for the Young Family” state purpose project criterion. • Customer’s negative loan history • Other reasons that will hamper the loan repayments according to the Bank assessment.
Documents presented by individuals	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 acquired apartment certificate, if necessary), 8. Statement claiming that the present apartment is not under barrage (the original and 1 copy) to be presented after the confirmation of the loan. 9. Passport copy of the vendor (proprietors) 10. Statement about the registered persons from the vendor's residence (3rd form). 11. Diploma copy (if necessary). 12. Statement from the cadastre information center about the applicant's and husband’s(wife) real estate
Loan arrangement is realized	ARMECONOMBANK” OJSC head office and branches.

	The loan is presented to the competent body if the applicant credited minimum 10% of the assessed liquidation value of the real estate to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account as long as the competent body makes a decision on the loan provision or rejection.
Decision period	Up to 20 business day (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)
Requirements to Borrower	• The overall mutually added age of both of the spouses should not exceed 70. • The age of one of the spouses should not exceed 35. • Only 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	• 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. 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 the insurance of the real estate to be acquired and for accidents of the Borrower and Co-borrowers, otherwise 2% tariff will be defined).

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.

The choice of the customer

- Proportionally reduces the amount of monthly payments by keeping the amount repaid in advance, leaving the loan repayment period unchanged, or
- Reduces the loan repayment period, 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 property pledged by the borrower may be confiscated.

Attention!

The mortgage agreement shall be verified by notary.

Attention!

The monthly commission fee may not be charged, if the annual interest rate of the loan is 0.5 percentage point higher than the set interest rate.

Attention!

During the last 12 months, the total number of days for all loans / current and repayable / delinquent / delinquent loans should not exceed 30 calendar days.

Attention!

Interest is calculated on the loan balance.

Attention!

When applying for a loan, the Bank provides the borrower with an individual sheet of the essential terms of the consumer loan, which sets out the individual terms of the loan to be provided.

Attention!

"Your financial directory" is an electronic system that makes it easier for you to compare the services offered to individuals and find the most effective option for you. <https://www.fininfo.am/finhelper/index.php?type=mortgage>

Attention!

Prior to the conclusion of the loan agreement, the Bank shall provide the borrower with the proposal and draft of the loan agreement seven days prior to the conclusion of the loan agreement.

The offer to conclude a credit agreement is valid for seven business days (when contemplating) unless a longer period is specified in the offer.

MORTGAGE LOAN (ACQUISITION)																																
Loan type	Mortgage loan																															
Loan purpose	Residential real estate acquisition																															
Loan currency	AMD, USD , EUR																															
Loan amount	In case of AMD loan from AMD 1.000.000 to AMD 60 mln. In case of USD/EUR loan minimum USD/EUR 2.000 - Customer creditworthiness; - Securing the loan offered by the client, - Credit risk assessment; - The requirements of the regulatory framework set by the Central Bank of Armenia and international agreements.																															
Annual interest rate	Fixed adjusted interest rate / In case of mortgage loans in USD <table><tr><td></td><td>Annual interest rate</td></tr><tr><td>Fixed interest rate for the first 36 months</td><td>9%</td></tr><tr><td>36 months after interest rate adjustment</td><td>AIR=8+VP VP- variable component AIR- Adjusted interest rate</td></tr></table> The minimum and maximum interest rate adjustment thresholds are set as follows: ` 4% at the time of loan disbursement. Loan interest rate is adjusted (after 36 months) on the adjustment date (first business day of October) each year (once). You can find the methodology of the Fixed Adjusted Interest Rate (AIR) and the adjustment procedure by following the link https://www.aeb.am/hy/917/ Fixed interest rate for the whole loan period In case of mortgage loans in USD and EUR: <table><tr><td>Loan to pledge value ratio</td><td>USD</td><td>EUR</td></tr><tr><td>Up to 50% included</td><td>10.5%</td><td>9.5%</td></tr><tr><td>50-90% included</td><td>11%</td><td>10%</td></tr></table> In case of mortgage loans in AMD <table><tr><td>Loan amount</td><td>Loan to pledge value ratio</td><td>Annual interest rate</td></tr><tr><td rowspan="2">AMD1.000.000 up to AMD 35.000.000</td><td>Up to 50% included</td><td>9.8%</td></tr><tr><td>50-90% included</td><td>10.3%</td></tr><tr><td rowspan="2">AMD 35.000.001-60.000.000</td><td>Up to 50% included</td><td>11%</td></tr><tr><td>50-90% included</td><td>11.3%</td></tr></table> From 3,000,000 Armenian drams to 35,000,000 Armenian drams for purchasing real estate in residential buildings in RA regions or energy-efficient multi-apartment building in Yerevan within the frameworks of 4th stage of Housing Finance, Refinanced by "National Mortgage Company" RCO CJSC The mortgage interest rate can be set at 1% lower interest rate.					Annual interest rate	Fixed interest rate for the first 36 months	9%	36 months after interest rate adjustment	AIR=8+VP VP- variable component AIR- Adjusted interest rate	Loan to pledge value ratio	USD	EUR	Up to 50% included	10.5%	9.5%	50-90% included	11%	10%	Loan amount	Loan to pledge value ratio	Annual interest rate	AMD1.000.000 up to AMD 35.000.000	Up to 50% included	9.8%	50-90% included	10.3%	AMD 35.000.001-60.000.000	Up to 50% included	11%	50-90% included	11.3%
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Annual actual interest rate	AMD 11.09-13.99% (Fixed interest rate) USD/EUR 10.62-15.05% (Fixed adjusted interest rate) USD 7.17-14.53%																															
Loan term /months/	<table><tr><td></td><td>AMD</td><td>USD</td><td>EUR</td></tr><tr><td>Fixed interest rate</td><td>144-240</td><td>120-144</td><td>120-144</td></tr><tr><td>Fixed adjusted interest rate</td><td>-</td><td>120-240</td><td>-</td></tr></table>					AMD	USD	EUR	Fixed interest rate	144-240	120-144	120-144	Fixed adjusted interest rate	-	120-240	-																
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Security	Acquired Real Estate (if necessary other residential real estate)																															
Prepayment	In case of AMD - minimum 30% or minimum 10% if except the residential house or apartment to be acquired another residential real																															

	estate is pledged by the Borrower, or advance insurance in the amount exceeding 70% of loan to pledge value ratio is available In case of USD/EUR- minimum 30% or minimum 0% if another real estate is pledged by the Borrower
Loan to pledge value ratio	- 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 the borrower is pledged as well as other residential property purchased real estate, in the case of collateral acquired and other residential real estate, the loan amount can not exceed 70% of the total market value of the pledged real estate or the sum exceeding 70% Advance insurance coverage. - In case of granting mortgages in US dollars / Euro for residential real estate, the maximum loan amount can be at least 100% of the market and acquisition value of the residential property acquired, except for the collateral obtained from the purchased residential house or flat the mortgager is also pledged to other residential real estate, in the case of pledging the acquired and other residential real estate, the amount of the loan can not exceed the total amount of pledged real estate Today 70% of market value.
Grant way	By cash / Cashless
Commission fee	- AMD 5000 for the study of the loan application which is non- refundable. - Account service fee per month- 0.03% of loan amount but not more than AMD 5.000 per month. In case of loans in USD, the account service fee is calculated in AMD at the average exchange rate of the Central Bank on the issuing day. Account service fee is rounded up to hundredfold.
Loan arrangement is realized	“ARMECONOMBANK” OJSC head office and branches. The loan is presented to the competent body if the applicant credited minimum 10% of the assessed liquidation value of the real estate to the account opened with ARMECONOMBANK OJSC. The credited amount is kept in the account as long as the competent body makes a decision on the loan provision or rejection.
Decision period	Up to 20 business day (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)
Requirements to Borrower	- Resident individual over 18 years - Registered and living in the Republic of Armenia - Has a constant income source acceptable by the Bank
Guarantee	- 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. - 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. The tariffs vary from 0.16-0.18% of the loan balance. The annual insurance premium is calculated at the rate of 2.7% of the insurance amount (this rate applies if the client seals and reinsurance certificates with the insurance company "Sil Insurance" ICJSC, insurance against accidents of the acquired real estate and borrower / co-borrower otherwise the tariff will be set at 3%), but not less than AMD 72,000. The minimum insurance premium is valid only for the first year of insurance.
Real estate appraisal	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, according to the tariff determined by the latter -starting from AMD 20.000
Expenses related to the collateral formation	All the expenses related to the arrangement of the collateral (notarization, registration of the real estate in subdivisions of Cadastral territory) are made by the borrower - Notary fee - AMD 15.000-25.000 - Unified reference (on restrictions against real estate) - AMD 10.000 - Certificate on the registration of right to real estate- AMD 27.000-75.000
Acquired real estate	Residential real estate (apartment, residence house) located in RA territory
Negative decision grounds	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.
Documents to be presented by individuals	1. Passport copies, as well as those of the family 2. Marriage certificate copy(if any) 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). 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 present apartment is not under barrage (the original and 1 copy), to be presented after loan confirmation 7. Passport copy of the vendor (proprietors), 8. Statement from the residence on sale about the registered persons (3rd form) 9. Copy of Diploma (if any).
Loan redemption frequency	Months
Loan redemption procedure	Monthly- equally (annuitant), or Non-equally (differential).
Security	Acquired Real Estate (if necessary other residential real estate)
Prepayment	In case of AMD - minimum 30% or minimum 10% if • except the residential house or apartment to be acquired another residential real estate is pledged by the Borrower, or • advance insurance in the amount exceeding 70% of loan to pledge value ratio is available In case of USD/EUR- minimum 30% or minimum 0% if another real estate is pledged by the Borrower

Attention!

Changes in foreign exchange rates may have an effect on loan repayments.

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- Proportionally reduces the amount of monthly payments by keeping the amount repaid in advance, leaving the loan repayment period unchanged, or
- Reduces the loan repayment period, leaving the amount of monthly payments unchanged.

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The mortgage agreement shall be verified by notary.

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The monthly commission fee may not be charged, if the annual interest rate of the loan is 0.5 percentage point higher than the set interest rate.

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During the last 12 months, the total number of days for all loans / current and repayable / delinquent / delinquent loans should not exceed 30 calendar days.

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Interest is calculated on the loan balance.

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When applying for a loan, the Bank provides you with an individual sheet of the essential terms of the consumer loan, which sets out the individual terms of the loan to be provided to you.

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Attention!

The USD and Euro exchange rates issued by the CBA as of 21.08.2019 are the basis for the calculation of the actual annual interest rate. The actual annual interest rate may change depending on the rate of exchange published on the CBA official website.

Attention!

Prior to the conclusion of the loan agreement, the Bank shall provide the borrower with the proposal and draft of the loan agreement seven days prior to the conclusion of the loan agreement.

The offer to conclude a credit agreement is valid for seven business days (when contemplating) unless a longer period is specified in the offer.

MORTGAGE LOAN (RENOVATION, CONSTRUCTION)

Loan type	Mortgage loan																																
Loan purpose	Residential real estate renovation or construction																																
Loan currency	AMD, USD, EUR																																
Loan amount	1) In case of AMD loans from AMD 1.000.000 up to 60 mln. 2) In case of USD loans minimum USD/EUR 2.000 and the maximum amount depends on: • Customer creditworthiness; • Securing the loan offered by the client, • Credit risk assessment; • The requirements of the regulatory framework set by the Central Bank of Armenia and international agreements. In case of loans provided for the construction of residential real estate the maximum amount of the loan shall not exceed 80% of estimate cost of presented construction works.																																
Annual interest rate (fixed)	<i>Fixed adjusted interest rate /</i> In case of mortgage loans in USD <table border="1"> <tr> <td></td><td colspan="2">Annual interest rate</td></tr> <tr> <td>Fixed interest rate for the first 36 months</td><td colspan="2">9%</td></tr> <tr> <td>36 months after interest rate adjustment</td><td colspan="2"> AIR=8+VP VP- variable component AIR- Adjusted interest rate </td></tr> </table> The minimum and maximum interest rate adjustment thresholds are set as follows: ` 4% at the time of loan disbursement. Loan interest rate is adjusted (after 36 months) on the adjustment date (first business day of October) each year (once). You can find the methodology of the Fixed Adjusted Interest Rate (AIR) and the adjustment procedure by following the link https://www.aeb.am/hy/917/ <i>Fixed interest rate for the whole loan period</i> In case of mortgage loans in USD and EUR: <table border="1"> <tr> <td>Loan to pledge value ratio</td><td>USD</td><td>EUR</td></tr> <tr> <td>Up to 50% included</td><td>10.5%</td><td>9.5%</td></tr> <tr> <td>50-90% included</td><td>11%</td><td>10%</td></tr> </table> In case of mortgage loans in AMD <table border="1"> <tr> <td>Loan amount</td><td>Loan to pledge value ratio</td><td>Annual interest rate *</td></tr> <tr> <td rowspan="2">AMD 1.000.000 up to AMD 35.000.000</td><td>Up to 50% included</td><td>10.5%</td></tr> <tr> <td>50-70% included</td><td>11%</td></tr> <tr> <td rowspan="2">AMD 35.000.001-60.000.000</td><td>Up to 50% included</td><td>11%</td></tr> <tr> <td>50-70% included</td><td>11.3%</td></tr> </table> Real Estate Renewal (AMD 2.000.000), refinanced by "National Mortgage Company" RCO CJSC, Housing Financing in the Regions of the 4th Stage, from 1,000,000 to 25,000,000 Armenian drams the interest rate on mortgage loans is set at 1% lower interest rate.			Annual interest rate		Fixed interest rate for the first 36 months	9%		36 months after interest rate adjustment	AIR=8+VP VP- variable component AIR- Adjusted interest rate		Loan to pledge value ratio	USD	EUR	Up to 50% included	10.5%	9.5%	50-90% included	11%	10%	Loan amount	Loan to pledge value ratio	Annual interest rate *	AMD 1.000.000 up to AMD 35.000.000	Up to 50% included	10.5%	50-70% included	11%	AMD 35.000.001-60.000.000	Up to 50% included	11%	50-70% included	11.3%
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Annual actual interest rate	AMD 11.87-15.15% % (Fixed interest rate) USD/EUR 10.62-15.47%% (Fixed adjusted interest rate) USD 7.17-14.88%																																

Loan term		AMD	USD	EUR
	Fixed interest rate	144-240	120-144	120-144
	Fixed adjusted interest rate	-	120-240	-
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	- 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 real estate maximum 70% of the liquidation value of the pledged real estate			
Grant way	In stages - By cash and cashless - In case of loans granted for renovation of real estate, maximum 40 calendar days are defined for the usage of the amount of each stage. - In case of loans granted for the construction of real estate maximum 150 days are defined for the usage of the amount of each stage.			
Commission fee	- AMD 5000 for the study of the loan application which is non- refundable. - Account service fee per month- 0.03% of loan amount but not more than AMD 5000 per month: In case of loans at USD currency the account service fee is calculated in AMD at the average exchange rate of the Central Bank on the issuing day. Account service fee is rounded up to hundredfold.			
Loan arrangement is realized	“ARMECONOMBANK” OJSC head office and branches.			
Decision period	Up to 20 business day (in case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)			
Requirements to Borrower	- Resident individual over 18 years - Registered and living in the Republic of Armenia - Has a constant income source acceptable by the Bank			
Guarantee	- 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.			
Real estate appraisal	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, according to the tariff determined by the latter, which ranges from AMD 20.000.			
Collateral arrangement expenses	Collateral arrangement expenses (notarization, registration of the real estate in subdivisions of Cadastral territory) are made by the borrower. - Notary fee - AMD 15.000 - Unified reference (on restrictions against real estate) - AMD 10.000 - Certificate on the registration of right to real estate- AMD 27.000			
Negative decision grounds	- 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.			
Documents to be presented by individuals	- Passport copies, as well as those of the family members (2 copies) - Marriage certificate copy (if any). - Statement from the residence. - 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). - Document containing public services number: - 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).

Attention!

Changes in foreign exchange rates may have an effect on loan repayments.

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

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The mortgage agreement shall be verified by notary.

Attention!

The monthly commission fee may not be charged, if the annual interest rate of the loan is 0.5 percentage point higher than the set interest rate.

Attention!

During the last 12 months, the total number of days for all loans / current and repayable / delinquent / delinquent loans should not exceed 30 calendar days.

Attention!

Interest is calculated on the loan balance.

Attention!

When applying for a loan, the Bank provides you with an individual sheet of the essential terms of the consumer loan, which sets out the individual terms of the loan to be provided to you.

Attention!

"Your financial directory" is an electronic system that makes it easier for you to compare the services offered to individuals and find the most effective option for you. <https://www.fininfo.am/finhelper/index.php?type=mortgage>

Attention!

The USD and Euro exchange rates issued by the CBA as of 21.08.2019 are the basis for the calculation of the actual annual interest rate. The actual annual interest rate may change depending on the rate of exchange published on the CBA official website.

Attention!

Prior to the conclusion of the loan agreement, the Bank shall provide the borrower with the proposal and draft of the loan agreement 7 days prior to the conclusion of the loan agreement. The offer to conclude a credit agreement is valid for seven business days (when contemplating) unless a longer period is specified in the offer.

ENERGY EFFICIENCY-ORIENTED RECONSTRUCTION LOAN

Loan type	Mortgage
Loan purpose	Energy efficiency-oriented reconstruction of residential property
Loan currency	AMD
Loan amount	AMD equivalent of EUR 4000-10.000 (for the first reimbursement executed by "National Mortgage Company" RCO CJSC from the attracted funds, AMD 2.200.001- 5.500.000 is defined)
Annual interest rate (fixed)	11%
Annual actual interest rate	12.8-13.4%
Loan term	120 months
Grace period	from 6 months up to 2 years
Grant	The Borrower shall receive a grant in the amount of 5% of the loan amount, which will be directed to the repayment of the Principle of the Loan, if the requirements of the Project related to the energy efficient materials/ items (Portions and the list) are met, and as a result of the renovation the ratio of the energy efficiency amounts to minimum

	40%.
Redemption frequency	Monthly
Loan redemption procedure	Monthly- equally (annuitant),
Security	Renovated real estate, which can be located in the whole area of RA with the exception of the Center community of Yerevan.
Loan to pledge value ratio	Maximum 70% of the liquidation value of the renovated real estate
Grant way	In stages By cash and cashless
Commission fee	• AMD 5000 for the study of the loan application which is non- refundable. • Account service fee per month- 0.03% of loan amount
Loan arrangement is realized	“ARMECONOMBANK” OJSC head office and branches
Decision period	Up to 20 working days (In case of mortgage the loan is provided within 5 business days following the receipt of collateral registration right)
Borrowers requirements	• Resident individual over 18 years • Registered and living in the Republic of Armenia • Has a constant income resource acceptable by the Bank • The borrower/co-borrower shall be at least the co-owner of the real estate to be renovated
Guarantee	• 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 0.16-0.18% 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. The tariffs vary from 0.16 % to 18 % of the loan balance.
Real estate appraisal	Assessment is realized by any assessment organization licensed by RA legislation and cooperating with the Bank, according to the tariff determined by the latter, which ranges from AMD 20.000.
Collateral arrangement expenses	Collateral arrangement expenses (notarization, registration of the real estate in subdivisions of Cadastral territory) are made by the borrower. • Notary fee - AMD 15.000-25.000 • Unified reference (on restrictions against real estate) - AMD 10.000 • Certificate on the registration of right over real estate- AMD 27.000
Negative decision grounds	• 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.
Documents to be presented by individuals	1. Passport copies, as well as those of the family members 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. Statement that the present apartment is not under barrage (the original and 1 copy), to be presented after loan confirmation. 8. Photos of renovated real estate (detailed) 9. Estimate of renovation expenses (expenses according to articles).

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.

Proportionally reduces the amount of monthly payments by keeping the amount repaid in advance, leaving the loan repayment period unchanged, or

Reduces the loan repayment period, 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 property pledged by the borrower may be confiscated.

Attention!

The mortgage agreement shall be verified by notary.

Attention!

During the last 12 months, the total number of days for all loans / current and repayable / delinquent / delinquent loans should not exceed 30 calendar days.

Attention!

Interest is calculated on the loan balance.

Attention!

When applying for a loan, the Bank provides you with an individual sheet of the essential terms of the consumer loan, which sets out the individual terms of the loan to be provided to you.

Attention!

"Your financial directory" is an electronic system that makes it easier for you to compare the services offered to individuals and find the most effective option for you. <https://www.fininfo.am/finhelper/index.php?type=mortgage>

Attention!

Prior to the conclusion of the loan agreement, the Bank shall provide the borrower with the proposal and draft of the loan agreement 7 days prior to the conclusion of the loan agreement.

The offer to conclude a credit agreement is valid for seven business days (when contemplating) unless a longer period is specified in the offer.

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
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, (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

The insurance is realized by any insurance company licensed by RA CB, according to the tariff determined by the latter.

The insurance companies are as follows:

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

The amounts to be paid by the consumer, irrespective of the fact that 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! The Bank may request additional documents or other information, such as the “Know Your Customer” principle, from the Customer, for the purpose of conducting due diligence on the basis of the RA Law on Combating Money Laundering and Terrorist Financing, also ask the consumer additional questions during oral communication.

1.1. 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

-0,13% OF THE UNPAID SERVICE FEE FOR EACH OVERDUE DAY

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.***

2. THE PLEDGED PROPERTY MAY BE CONFISCATED IN THE MANNER STIPULATED BY LAW.

3. 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).

4. THE INFORMATION ABOUT THE BORROWER WILL BE RECORDED IN THE LOAN REGISTER IN THE ORDER DEFINED BY THE LAW. BAD CREDIT HISTORY MAY PREVENT THE BORROWER FROM RECEIVING OTHER LOANS IN THE FUTURE.

5. ATTENTION!

INTERESTS ARE CALCULATED ON THE LOAN BALANCE. LOAN INTERESTS ARE CALCULATED BASED ON THE NOMINAL INTEREST RATE. THE ACTUAL INTEREST RATE SHOWS HOW MUCH THE LOAN INTERESTS AND OTHER PAYMENTS WILL COST IN CASE OF PERFORMANCE IN DEFINED TERMS AND SIZES. THE ACTUAL ANNUAL INTEREST RATE CALCULATION PROCEDURE CAN BE FOUND ON THE BANK'S WEBSITE - www.aeb.am.

6. LOAN INTERESTS ARE CALCULATED ON LOAN BALANCE.

For example if the customer is granted by a loan in the amount of AMD 1.200.000 with 24% annual interests rate and 12 months tenor (while calculating monthly accrued interests as a number of days 30 days period was taken into account).

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

9 ATTENTION!

THE NOMINAL INTERESTS RATE MAY BE CHANGED BY THE BANK. THE INFORMATION ON THE CHANGES OF THE NOMINAL INTEREST RATE MAY BE FOUND ON www.aeb.am ADDRESS.

8. WE SHOULD MENTION THAT CHANGES IN CURRENCY EXCHANGE RATES MAY HAVE AN IMPACT ON LOAN REPAYMENTS.

9. The Bank applies no limits to loan amount; it will be conditioned by and related to:

- *Purpose of loan;*
- *Customer's creditworthiness;*
- *Collateral offered by the customer;*
- *Loan risk assessment;*
- *Requirements of prudential standards provided by the Central Bank of Armenia.*

10.« 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 gained from customer;*
- *Volume of transfers;*
- *Size of deposits with the Bank;*
- *Significant borrower,*
- *Social considerations (medical organizations, educational institutions, etc.);*
- *Being the head of such organization;*
- *Other objective conditions.*

11. 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.*
- *The calculated interests are paid exclusively in AMD irrespective to loan currency.*

12. 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 will be borne by the borrower.*

13. The Bank may terminate the Loan Agreement and request repayment of the loan amount, if

- *The borrower has failed to make any payment required under Loan Agreement.*
- *The borrower has breached any commitment made by the borrower and fails to correct such breach within 30 days following the occurrence thereof.*
- *Any presentation, warranty, document, or information is materially incomplete.*
- *By reasonable opinion of the Bank, an essential adverse change has occurred in the borrower's financial condition, including court orders, outflow of assets, deterioration or termination of business, company re-organization.*
- *The borrower undergoes dissolution, or is subject to ongoing or pending bankruptcy proceedings.*
- *The borrower interferes with monitoring.*

For other objective reasons.

14. The Bank may accept as collateral:

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

15. The appraisal value of pledged personal and real estate is based on liquidity value indicated in appraisal statement.

16. 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.
- 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, a 24% annual interest rate is applied against the non-term loan balance (term deposits). After the next day of full repayment of outstanding amounts, penalties and interests accrued, the interest rate set by the Loan Agreement is recovered.

17. 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;*
- *Property with ownership right*

18. 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.