

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

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**INFORMATION BULLETIN  
OF LOANS/ CREDIT LINES PROVIDED UNDER THE PLEDGE OF A REAL  
ESTATE**

YEREVAN 2024

# LOAN/ CREDIT LINE WITH REAL ESTATE COLLATERAL

Loan purpose	Personal																																		
Loan type	Consumer																																		
Loan currency	AMD																																		
Loan amount	<i>Minimum amount of the loan</i> – AMD 3,000,000 <i>The maximum amount</i> is conditioned by: <ul style="list-style-type: none"><li>• Customer's solvency;</li><li>• Security of the loan offered by the bank;</li><li>• Loan risk assessment;</li><li>• Requirements of the regulatory framework provided by the Central Bank of Armenia and international agreements.</li></ul> In case of absence of the document verifying of income, <i>the maximum amount</i> is AMD 15,000,000																																		
Annual interest rate	<div>In case of availability of documents verifying Borrower's income:</div> <table><tr><td>Redemption period</td><td>Interest rate *</td><td>Annual interest rate in case of receiving the borrower's salary with Bank's payment plastic cards</td><td>Loan to pledge maximum ratio</td></tr><tr><td>912-1095 days</td><td>14-14.75%</td><td>14-14.5%</td><td rowspan="2">In case of a real estate located in cities of RA – 70%</td></tr><tr><td>1096-1825 days</td><td>15-15.75%</td><td>14-15.5%</td></tr><tr><td>1826-2555 days</td><td>16-16.75%</td><td>15-16.5%</td><td rowspan="2">In case of a real estate located in the rural settlements of RA – 50%</td></tr><tr><td>2556-3650 days</td><td>17-17.75%</td><td>16-17.5%</td></tr></table> <div>* The annual interest rate of the loan depends on the internal criteria of clients' classification set by internal regulations of the Bank*. <b>Effective interest rate</b> - 14.98-19.34%</div> <div>In case of absence of documents verifying the borrower's income:</div> <table><tr><td>Redemption period</td><td>Interest rate</td><td>Loan to pledge maximum ratio</td></tr><tr><td>912-1095 days</td><td>16%</td><td rowspan="3">40%</td></tr><tr><td>1096-1825 days</td><td>17%</td></tr><tr><td>1826-2555 days</td><td>18%</td></tr><tr><td>2556-3650 days</td><td>19%</td><td></td></tr></table> <div><b>Effective interest rate</b> - 17.29-20.83%</div> <div>The annual interest rate of the credit line is set 1 percentage point higher than the interest rates set by the above tables, and 2% annual interest rate is set for the unused part of the credit line.</div>				Redemption period	Interest rate *	Annual interest rate in case of receiving the borrower's salary with Bank's payment plastic cards	Loan to pledge maximum ratio	912-1095 days	14-14.75%	14-14.5%	In case of a real estate located in cities of RA – 70%	1096-1825 days	15-15.75%	14-15.5%	1826-2555 days	16-16.75%	15-16.5%	In case of a real estate located in the rural settlements of RA – 50%	2556-3650 days	17-17.75%	16-17.5%	Redemption period	Interest rate	Loan to pledge maximum ratio	912-1095 days	16%	40%	1096-1825 days	17%	1826-2555 days	18%	2556-3650 days	19%	
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Loan term	<ul style="list-style-type: none"><li>• 30-120 months in case of presence of documents certifying the Borrower's income</li><li>• 30-120 months in case of absence of documents verifying the income</li><li>• 30-60 months in case the real estate is located in the rural settlements of RA</li></ul>																																		

<b>Borrower's age</b>	The Borrower's age cannot exceed 65 years as of the deadline of the loan provided.
<b>Frequency of redemptions</b>	Monthly
<b>Loan redemption procedure</b>	Monthly- equally (annuitant), or non-equally (differential).
<b>Security</b>	<ul style="list-style-type: none"> <li>• Real estate</li> <li>• In case of absence of documents certifying income, the loan is provided upon a guaranty of at least 1 individual, moreover, within the framework of the given loan type the guaranteeing individual shall bear joint and several liability to the Bank, otherwise if the individual guarantor bears subsidiary liability, the latter shall assume the joint and several liability as a Co-borrower (no guarantor (co-borrower) is required in case of maximum 30% of the loan / collateral ratio).</li> </ul>
<b>Loan to pledge value ratio</b>	<ul style="list-style-type: none"> <li>• Maximum 70% of the assessed liquidation value of the real estate collateral when the documentation for income source is required (in case of a real estate located in rural settlements of RA - 50 %)</li> <li>• In the amount of maximum 40% of the assessed liquidation value of the real estate collateral in case of absence of documents certifying the income, in the amount of 30% without the mandatory requirement of a guarantor (co-borrower) , but no more than AMD 15.000.000.</li> </ul>
<b>Way of granting</b>	Cashless
<b>Withdrawal fee</b>	In case of withdrawal of the loan amount, a withdrawal fee is charged according to the applicable rates in the bank*.
<b>Commission fee</b>	<ul style="list-style-type: none"> <li>• Loan application study fee – AMD 5000, <b>which is subject to proportional reduction only in case of loan provision and early repayment.</b></li> <li>• On the day of granting the loan, charge the borrower a commission fee in the amount of 1%** of the loan amount.</li> </ul> <p>**If at least 70% of the loan amount will be directed towards the repayment of loan liabilities provided to the borrower/co-borrower/guarantor by other financial and banking institutions, the mentioned commission fee is defined at 0.5% of the loan amount.</p> <p>If a part of the loan/credit line is directed to the repayment of the loan secured by the real estate in ARMECONOMBANK OJSC, charge a commission fee in the amount of 1% of the difference between the loan granted and the loan to be repaid.</p>
<b>Loan formation is carried out</b>	By ARMECONOMBANK OJSC Head office and branches. <b>With the exception of Nairi MC, Rossia-1 and Araratyan branches.</b>
<b>Decision and provision period</b>	<p>Loan decision period - up to 25 working days after entering the application.</p> <p>Loan provision period - up to 30 calendar days after the date of positive decision on the loan.</p>
<b>Requirements to borrower</b>	<ul style="list-style-type: none"> <li>• Resident individual over 18 years;</li> <li>• The borrower's age cannot exceed 65 years as of the deadline set for the loan to be provided;</li> <li>• Registered and living in the Republic of Armenia;</li> <li>• Having a source of stable income acceptable by the Bank.</li> </ul>
<b>Fines</b>	Against the amounts (loan, interests, other payments) not paid within the term(s) set forth by the agreement, a fine in the amount of 0.13% (daily) of the outstanding amount is charged for each overdue day.

<b>Real estate appraisal</b>	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. The tariff may be higher depending on the type of pledge. <b><i>It not is subject to reduction in case of early repayment of the loan.</i></b>
<b>Expenses related to collateral arrangement</b>	All expenses related to collateral arrangement (notarization, registration in the territorial subdivisions of the Real Estate Cadastre) are paid by the borrower: <ul style="list-style-type: none"> <li>• Notary fee - AMD 16,000</li> <li>• Joint reference (on restrictions against real estate) - AMD 10,000</li> <li>• Certificate on the registration of right to real estate- AMD 27,000</li> </ul> <b><i>Is not subject to reduction in case of early repayment of the loan.</i></b>
<b>Provision of a statement</b>	<b>Free of charge</b>
<b>Positive decision grounds</b>	<ul style="list-style-type: none"> <li>• Positive loan history (if any)</li> <li>• Reliability of the submitted documents</li> <li>• Source of stable and sufficient income</li> <li>• Availability of sufficient collateral</li> </ul>
<b>Negative decision grounds</b>	<ul style="list-style-type: none"> <li>• Negative assessment on the customer's financial status</li> <li>• Non-credibility of the presented documents</li> <li>• Customer's negative credit history</li> <li>• Insufficient loan security</li> <li>• Other reasons which according to the Bank assessment will hamper the loan repayment</li> </ul>
<b>Documents to be presented by individuals</b>	<ol style="list-style-type: none"> <li>1. Passport copies</li> <li>2. Copy of marriage certificate (if any)</li> <li>3. Statement from the residence</li> <li>4. Statement from the workplace about income, given maximum 20 calendar days prior /if any/</li> <li>5. Document containing public services number</li> <li>6. Copy of property certificate /a copy of the document that is the basis for issuing a certificate of the apartment to be purchased, if necessary/</li> <li>7. Statement that the given apartment is not under arrest (original and one copy), to be submitted after the loan confirmation.</li> <li>8. Other documents if necessary</li> </ol>

\* Provide consumer loans and credit lines with the mortgage of real estate located in rural settlements of RA with a maximum repayment period of 1825 days.

**Attention.** In the case of loans secured by immovable property exceeding AMD 15,000,000, without the Bank's written consent, during each month, as of the first day of the given month, a fine of 5% of the amount exceeding 20% of the Principal balance (which does not include the repayment of the part of the loan provided for in the repayment schedule in the given month) is calculated in case of early repayment of this amount as of the first day of that month.

**Attention.** As an additional loan security means, the Bank may also require the guaranty of one or more person/people.

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

**Attention.** The consumer / borrower / is entitled to unilaterally terminate the credit agreement without any argumentation within 7 business days after its conclusion, unless a longer term is envisaged by the credit agreement (time to think). In this case, the consumer is obliged to pay interest to the creditor for the use of the credit amount, which is calculated in accordance with the actual annual interest rate provided by the credit agreement. No other compensation may be required from the consumer in connection with termination of the credit agreement.

**Attention.** In the absence of documents confirming the borrower's income, the applicant (co-borrower) and guarantors must have a positive credit history within 365 days prior to the date of receipt of the loan application, the sum of delays for each person must not exceed 30 calendar days.

**Attention.** Interests are calculated on the loan balance.

**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 granted to you (In case of loans equivalent to up to AMD 15,000,000).

**Attention.** “Your Financial Informant” is an electronic system which facilitates the search and comparison of the services offered to individuals and the selection of the most effective option for you- <https://www.fininfo.am/sparoxakan-varker>.

**Attention.** To get acquainted with the tariffs of additional services rendered within the implementation of loan operations please visit the link - [https://aeb.am/uploads/varkayin\\_sakagneri\\_havelvac.pdf](https://aeb.am/uploads/varkayin_sakagneri_havelvac.pdf)

**Attention.** To get acquainted with the terms, deadlines and tariffs of the provision of statements, their copies, references and other information during the validity period of the agreement, please visit the following link: [https://www.aeb.am/hy/bankayin\\_hashiv](https://www.aeb.am/hy/bankayin_hashiv).

## GENERAL INFORMATION

Collateral appraisal is realized by any independent 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 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	8 Vardanants str.	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
"Oliver Group" LLC	215-216, Tumanyan 8, Yerevan	010 54 27 40, 010 54 27 50, 010 54 27 60, 077/091/055 54 27 50

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 latters.

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 contracts, agreements, 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 fees payable 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%<sup>a</sup> of the unpaid amount for each overdue day

- 0, 13%<sup>a</sup> 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 premiums /if any/
- Principal amount of the loan.

4. **Your property (house, car, etc.) 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 LOANS.

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 (educational institutions, medical organizations 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 envisaged by the 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-PLEDGE, 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-PLEDGE 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-PLEDGE 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-PLEDGE 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-PLEDGE shall have the right, pursuant to Article 195 of RA Civil Code, to sell the pledged property directly or through public auctions pursuant to RA Law "On Public Bidding".

4. PLEDGER undertakes to transfer the pledged property to CREDITOR-PLEDGE 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-PLEDGE. Moreover, the proceeds from sale of collateral shall be utilized to fully cover CREDITOR-PLEDGE'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-PLEDGE'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 and procedure of remote banking services by visiting the following link: [https://www.aeb.am/hy/mobile\\_banking/](https://www.aeb.am/hy/mobile_banking/)

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