

Approved by
Resolution N 88/01-08.05.24
of the Executive Board of ARMECONOMBANK OJSC

Chairman of the Executive Board
A. Arakelyan

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**INFORMATION BULLETIN
OF LOANS PROVIDED UNDER STATE SUPPORT PROGRAM
OF RENOVATION WORKS OF AN APARTMENT/PRIVATE RESIDENTIAL HOUSE**

YEREVAN 2024

APARTMENT WITHIN ENERGY-EFFICIENT
RENOVATION OF AN APARTMENT/ RESIDENTIAL HOUSE

Loan type	Mortgage loan provided under state support for energy-efficient renovation of apartments and individual residential houses within the territory of RA				
Purpose of the loan	Energy-efficient renovation of an apartment/residential house				
Loan currency	AMD				
Loan terms	Type of property	Annual interest rate	Maximum loan term	Minimum loan amount	Maximum loan amount
	Apartment	13%	84 months	AMD 3.000.001	AMD 7.000.000
	Private house	13%	84 months	AMD 3.000.001	AMD 7.000.000
Credit allocation	Cashless in stages				
Loan application study fee	Not defined				
Service fee	Not defined				
Grace period	Not defined				
Penalty for early repayment	Not defined				
Security	Renovated real estate				
Amount of subsidized interest rate	Renovated property in border** or high mountain settlements	Renovated property in rural settlements not being a border settlement	Renovated property in urban settlements not being a border settlement	Renovated property in Yerevan	
	14%***	12%	11%	9%	

* You can get acquainted with the acting tariffs at the bank at the following link: <https://www.aeb.am/en/sakagner/>

** **No loan is provided for renovation in border settlements.**

*** **The subsidy interest rate cannot be more than the annual interest rate of the loan.**

**** **Provide the loans in accordance with the “Procedure for providing mortgage loans” of National Mortgage Company RCO CJSC and ARMECONOMBANK OJSC. Loans in the amount of AMD 275.000-3.000.000 may be also provided under this resolution, in which case the works towards energy-efficiency should amount to at least 40% of the loan amount, the loan term-60 months, the loan interest rate 13.5% per year.**

***Attention.** The below-mentioned meet the energy efficiency criterion:

*Thermal insulation of walls, roofs, interior door coverings;

*Acquisition of energy-efficient building materials;

*Purchase, installation of exterior doors and windows and replacement with a new one;

*Acquisition, replacement or installation of boilers or water heater (gas or electric) and heating system components (pipes, sections and etc);

*Acquisition and installation of cooling systems, energy-efficient air conditioner, air conditioner;

*Acquisition and installation of solar systems (water heater, photovoltaic);

*Acquisition of lamps and light fixtures.

***Attention.** If the mortgaged and renovated apartment (residential house) was built before 2010, a technical condition inspection conclusion (no more than 10 years) is required by licensed persons on the absence of level 4 damage (the list of licensed persons in the field of technical condition inspection of buildings and structures is published on the official website of the RA Urban Development Committee: www.minurban.am) or a valid appraiser qualification certificate and an appraisal report issued by a person and an appraisal report registered by the authorized body, which includes information on the technical condition (degree of damage) of the appraised property.

***Attention.** No more than 10% of the total amount of the loan can be used for the purchase of household appliances of at least A+ class (refrigerator, washing machine, dishwasher, electric oven, electric stove, electric water heater).
The purchase of household appliances is not considered an energy efficiency measure.

***Attention.** At least 80% of the expenses of using the loan and 100% of the expenses for energy-efficient measures must be done in a non-cash way and be supported by documents certifying the payment (payment order, cash register receipt, payment with invoices, bank or card transfer).

***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 fines and penalties are applied.

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.** The borrower may lose his/her right of ownership over the apartment in case of non-fulfillment or improper fulfillment of the obligations set forth by the Mortgage agreement.

***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.** After reaching a positive decision on the loan provision, before the conclusion of the mortgage agreement, the Bank, based on the terms and conditions of the loan offered by the Bank and the documents submitted by the consumer, provides the consumer with an Individual leaflet, which defines 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 in case of conclusion of the mortgage agreement on the given loan.

*** Attention.** "Your financial directory" is an electronic system facilitating the search, comparison of the services offered to individuals and the selection of the most efficient option for you: <https://www.fininfo.am/hipotekayin-varker>

*** Attention.** The bank provides proposal on signing the loan agreement and its draft to the borrower seven days prior to signing the loan agreement.

***Attention.** The proposal on signing loan agreement is effective seven working days (thinking time), unless otherwise envisaged by proposal.

***Attention.** You can get acquainted with the tariffs of other services provided within the framework of implementing loan operations by visiting the following link: https://www.aeb.am/uploads/varkayin_sakagneri_havelvac_eng.pdf

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
"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
"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 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

The fees payable by the consumer, irrespective of the fact that the payments for products, services or works are made with or without credit are not included in the calculation of the actual interest rate.

Attention. On the purpose of due diligence of the customer envisaged by RA law "On 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. After making a positive decision on loan prior to signing the mortgage agreement the Bank based on the loan terms offered by the bank and the documents provided by the consumer provides the consumer with an Individual leaflet, which defines the essential terms, tariffs applicable to the consumer and the negative consequences in case of non-fulfillment of the rights and responsibilities of the consumer when signing the given mortgage agreement.

Attention. As an additional means of loan security, the Bank may also require the guarantee(s) 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^a.

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>.

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 CONFIDENTIALITY.

2. THE POSSIBLE NEGATIVE CONSEQUENCES, PENALTIES/FINES FOR THE CUSTOMER IN CASE OF NON-FULFILLMENT OF OBLIGATIONS

- 0, 13% OF THE UNPAID AMOUNT FOR EACH OVERDUE DAY
- 0, 13% OF THE UNPAID INTEREST AMOUNT FOR EACH OVERDUE DAY

3. IF YOU HAVE OUTSTANDING LIABILITIES AGAINST THE CREDITOR, WHILE FULFILLING YOUR OBLIGATIONS THE LOAN REPAYMENTS ARE MADE IN THE FOLLOWING SEQUENCE:

- COURT COSTS (IF ANY);
- COLLATERAL SALE COSTS (IF ANY)
- ACCRUED PENALTIES
- ACCRUED INTERESTS
- INSURANCE PREMIUMS /IF ANY/
- PRINCIPAL AMOUNT OF THE LOAN.

4. PROPERTY 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 30 days period has been taken as a basis as a number of days).

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.

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

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

8. ARMECONOMBANK OJSC can 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.

9. The borrower pays interest to the bank for using the loan amount, the interest of which is calculated against the loan balance from the date of loan provision 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 of loan or accrued interests falls on day off, the payment is made on the following working days without calculation of penalty for the days off.

10. Repayment of credit obligations

- Loans are repaid within the dates indicated in Loan Agreement.
- Loans are repaid in the currency in which they were given.

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

- The borrower has failed to make any payment required under Loan Agreement,
- The borrower has breached any 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.

12. 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, stock;
- Property to be purchased in the future and ownership right;
- Cash.

13. 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

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 terms 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 bank interest settlement rates set by the Central Bank of Armenia. The total sum 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, **25.1%** annual interest rate is applied to the balance of non-overdue loan (term loan). After the day following the full repayment of outstanding amounts, penalties and interests accrued, the interest rate set by the Loan Agreement against term loan is recovered.

1. To satisfy the claims 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 pledged 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 without applying to the court as stipulated in paragraph 1 of these Rules 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 amount 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 auctions pursuant to RA Law "on Public Bidding" on the behalf of the Pledger.

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, 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 may be executed by court order in the manner provided by RA legislation.

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

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