

**Mortgage microloans for residential real estate repairing/renovation within the framework of
"Energy Efficiency Housing Finance Program"
by RCO "National Mortgage Company" CJSC "**

1.	Terms & Conditions	
1.1	Currency	Armenian dram (AMD)
1.2	Annual nominal interest rate	14%
1.3	Effective annual interest rate*	14,5-19%
1.4	Maximum loan-to-value ratio	Pledging of the property is not applicable
1.5	Period	60 months
1.6	Manner of repayment of loan and interests	Uniform monthly payments or annuity payments
1.7	Grace period for the repayment of the principal	6 months
1.8	Minimum loan amount	AMD 300,000
1.9	Maximum loan amount	AMD 2,000,000
1.10	Manner of lending	One-time or phase, cash or cashless provision of loan
1.11	Early repayment of loan	Permissible, no fines or penalties are applicable
2.	Bank fees	
2.1	One-time fee for application review	AMD 5 000
2.2	One-time fee for loan maintenance	AMD 20 000
3.	Security	
3.1	Security	<ul style="list-style-type: none"> Warranty of a third person(s) (at least 2 guarantors are required, and only one of those guarantors can be a family member)
3.2	Requirements to transport facility	<ul style="list-style-type: none"> In case of foreign-made cars the transport facility should be less than 14 years old In case of Russian-made cars the transport facility should be less than 5 years old The transport facility should be owned by borrower or co-borrower
4.	Requirements for Borrower/Guarantor/Co-borrower	
4.1	Borrower/Guarantor/Co-borrower	Resident natural person citizen of Armenia aged at least 18
4.2	Borrower/ Co-borrower revenues	Primary income (mandatory) – 100% Secondary income (not mandatory) - maximum 60%
4.3	Credit history requirements for Borrower/ Co-borrower	<ul style="list-style-type: none"> By the time of loan approval there should not be any overdue current credit commitments Total number of days outstanding on all loans (repaid and current) during the past 12 months must not exceed 30 calendar days
4.4	Credit history requirements for Guarantor	<ul style="list-style-type: none"> Total number of days outstanding on all loans during the past 12 months must not exceed 24 days There should not be any overdue liabilities as of the day of decision-making
4.5	Requirements for Guarantor revenues	Guarantor should have primary and secondary income justified by relevant documents (e.g. incoming transfers, notarized real estate lease agreement, vehicle lease agreement, dividends, etc.)
5.	Additional terms	
5.1	Basis for rejecting an application	<ul style="list-style-type: none"> Customer has failed to provide requested documents

		<ul style="list-style-type: none"> • The inquiry to "ACRA" credit bureau has reported on a negative credit history of Customer • According to credit rating, the Customer is not creditworthy • Information, which came into possession in the course of lending, arouses prejudice with regard to the information provided by the Customer or the repayment of loan
5.2	<i>Failure by Borrower to fulfill credit commitments</i>	<ul style="list-style-type: none"> • <i>For failure to pay interests when due, the Bank shall charge a penalty for each day of default equal to 0,13% of past-due amount;</i> • <i>For failure to repay the loan when due as prescribed by contract terms, the calculation of interests under the contract shall be suspended and effective from that day until the actual repayment of the arrears interests shall be accrued on the overdue amount equal to the twofold of the settlement rate of the bank interest set by the Central Bank of RA</i> <p><i>In case of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be filed to credit register and "ACRA" credit bureau.</i></p> <p><i>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT FOR BORROWER FOR ACCESS TO OTHER CREDITS IN THE FUTURE</i></p> <p><i>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</i></p>
5.3	Place of immovable property under repair	Armenia, except Kentron district of Yerevan

Additional information

Manner of calculating interests	The interest rate is charged on the reducing balance of loan		
Term of application review	3 business days		
Place of loan execution	Head Office and all branches of the Bank		
Documents requested for loan execution			
	<i>Provisional documents</i>	Documents requested from Customer	Documents requested from Guarantor/Co-borrower
Passport		✓	✓
Social card or social service registration mark, if not any, a statement from the relevant authority		✓	✓
Proof of marital status of the Borrower /marriage certificate, marriage contract, divorce certificate, etc./ (if any)		✓	✓
Passports/birth certificates of persons residing with and/or under tutelage of the Borrower		✓	-
Official statement on the number of persons residing with and/or under tutelage of the Customer		✓	-
Income statement issued by the principal employer		✓	✓
Proof of secondary income (if any)		✓	✓
Income statement for husband / wife (if any)		✓	✓
Copy of employment record ("work book")		✓	✓
Copy of labor contract		✓	✓

Copy of the certificate of title to property under repair	✓	-
Estimate of repairing works and photos of property under repair	✓	-
In case of pledging the vehicle, the certificate of ownership and technical passport of transport facility	✓	-
Other documents as may be required	✓	✓
Where the customer is a self-employed person, the following documents must be submitted:		
<ul style="list-style-type: none"> • Copy of TIN • Copy of state registration certificate for private entrepreneur or legal entity • In case of a legal entity - copy of the charter • Financial reports (monthly, quarterly, annual) provided to tax authority during the last 1 year and approved by the relevant tax authorities • Records of revenues and expenditures for the last 6 months 		

Attention

The interest amounts on loans are calculated based on the nominal interest rate. The nominal interest rate on loans measures the annual rate of interest for loan and is calculated against loan balance on a yearly basis.

Example of calculating interest amount

- Initial loan amount – AMD 1 000 000
- Loan period - 60 months
- Annual interest rate - 13%
- Grace period for the repayment of principal – 6 months
- Manner of repayment of loan and interest – by annuity payments

Amount of monthly repayments shall make AMD 22,753.00

*** The interest amounts on loan are calculated based on the nominal interest rate. The effective annual interest rate on loans measures the real cost of credit after the interests are paid and other payments are made within the specified time and amounts.**

Formula for Effective Annual Interest Rate Calculation

The effective annual interest rate is calculated based on the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{(1+i)^{\frac{D_n}{365}}}$$

where:

i – effective annual percentage rate (APR),

A - initial amount of loan to be disbursed,

n - number of the regular repayment on loan,

N - number of the last repayment on loan,

Kn- amount of the n-th regular repayment on loan,

Dn- time from the date of loan disbursement to the date of the n-th regular repayment on loan measured in terms of days

i - effective annual interest rate can be calculated providing that the rest of equation data are known from loan agreement or otherwise.

To calculate the actual annual interest rate please use Effective Annual Interest Rate Calculator, with reference http://www.armbusinessbank.am/am/page/Crediting_

Example of calculating the effective annual interest rate

In case of real estate repairing works

- Loan amount – AMD 2 000 000
- Loan period - 60 months
- Loan interest rate - 13,0%
- One-time fee for loan application review – AMD 5 000
- One-time fee for loan maintenance - AMD 20 000
- Repayment of loan amount and interests – by annuity schedule

The effective annual interest rate is 14,5 %

Given the amount, term of the loan, frequency of repayments and changes in the prices of other miscellaneous services, the effective annual interest rate on loan may vary from the above example.

Bank details

"ARMBUSINESSBANK" Closed Joint Stock Company

Address: 48 Nalbandyan street, 0010, Yerevan, Armenia, tel: (+37410) 59-20-20, (+37460) 37-25-00, fax: +37410 59 20 64

Website: www.armbusinessbank.am;; E-mail: info@armbusinessbank.am

Certificate of registration N 0176, issued 10.12.1991, bank license N 40, issued 10.12.1991

List of services, which the Bank may render, is stipulated in accordance with Chapter 4 of RA Law "On Banks and Banking Activity".

"Financial Assistant System" of www.fininfo.am "Finance for All"