

**Retail Lending Terms and Conditions**
**Edition 35**
**Effective date: August 01, 2019**
**8 Financing limit secured by real estate (equity loan)**

Purpose	Purpose	Getting loans, lines of credits and/or overdrafts within the limit secured by real estate, without further creditworthiness assessment		
	Client's personal details			
Client's personal details	Eligible age	In accordance with the terms of loan to be issued under the limit		
	Residency	Citizens and non-citizens of Armenia who are resident in Armenia		
Terms of financing limit	Currency	Armenian drams, US dollars, Euros		
	Minimum and maximum limits	<b>If the borrower's creditworthiness is not assessed:</b> AMD 20,000,000 or its equivalent in another currency <b>If the borrower's creditworthiness is assessed:</b> AMD 50,000,000 or its equivalent in another currency		
	Term of limit	The limit is effective for 12 months after approval. The limit will be automatically renewed/reopened for another 12 months (w/o further re-approval), if the LTV ratio requirement estimated on the basis of credit history and appraisal of property has been met.		
	Maximum term set for loans issued under the limit	60 months or such shorter term as may be set for that particular loan type under the limit		
	Annual interest rate	<b>If the borrower's creditworthiness is not assessed:</b> interest rate applicable to the loan to be issued under the limit +1%. <b>If the borrower's creditworthiness is assessed:</b> interest rate applicable to the loan to be issued under the limit. <b>If the borrower's creditworthiness is assessed:</b> where loan-to-value (LTV) ratio is above 60% if in Yerevan, or above 50%, if outside Yerevan, interest rate is increased by 0.5%.		
Creditworthiness criteria*	Total obligations to total income (OTI)	If monthly income is below AMD 400,000	If monthly income is AMD 400,000-800,000	If monthly income is above AMD 800,000
	Difference between total income and liabilities (OSM)	50%	55%	60%
Creditworthiness criteria*	Difference between total income and liabilities (OSM)	Yerevan: $\geq$ AMD 60,000 Regions: $\geq$ AMD 36,000	Yerevan: $\geq$ AMD 90,000 Regions: $\geq$ AMD 60,000	Yerevan: $\geq$ AMD 120,000 Regions: $\geq$ AMD 90,000
	Forms of repayment	Form of repayment		
Security	Form of repayment	In accordance with the terms of loan to be issued under the limit		
	Eligible security	Apartment to the reasonable satisfaction of the bank, owned by the borrower or their family member		
	Loan-to-value (LTV) ratio	<b>If the borrower's creditworthiness is not assessed:</b> <ul style="list-style-type: none"> <li>• 30% of the property's liquidation value, if in Yerevan</li> <li>• 20% of the property's liquidation value, if in other regions of Armenia satisfactory to the bank</li> </ul> <b>If the borrower's creditworthiness is assessed:</b> <ul style="list-style-type: none"> <li>• 70% of the property's liquidation value, if in Yerevan</li> <li>• 60% of the property's liquidation value, if in other regions of Armenia satisfactory to the bank</li> </ul>		
	Location of real estate to be pledged	Capital cities and regional centers of Armenia and Artsakh, as well as the towns of Abovyan, Etchmiadzin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan, Qajaran and Jermuk		
	Appraisal of pledge	Pledged property to be appraised by an appraising partner of the bank.		
Additional security	The bank may request warranty of individuals and/or companies as additional security.			
Insurance of pledged property	Insurance of pledged property	Insurance for pledged real estate to be obtained throughout loan term: <ol style="list-style-type: none"> <li>1. By client at least to the extent of outstanding loan/credit limit (in the manner defined under that particular loan product)</li> <li>2. By the bank to the extent of outstanding loan/credit limit (in the manner defined under that particular loan product)</li> </ol>		
	Re-appraisal of pledge	Every 12 months during the term of the limit (for re-issuance of non-utilized limit or part of it) Where a revolving line of credit/overdraft has been issued under the limit, property is re-appraised once in 3 years, except where LTV ratio does not exceed 15%.		

Credit history	Satisfactory credit history	Total number of past due days during the previous 2 years should not exceed 30, where the number of successive past due days on a case by case basis should not exceed 10. The number of past due days on guarantees past due at the moment of application will be also included in calculation of total number of past due days.
Required documents	Required documents	<p style="text-align: center;"><b>Documents to be filed at application</b></p> <ul style="list-style-type: none"> <li>• Loan application</li> <li>• ID [original]</li> <li>• Certificate of ownership of property to be pledged [copy]</li> </ul> <p style="text-align: center;"><b>Documents required after initial approval</b></p> <ul style="list-style-type: none"> <li>• Proof of employment and/or other income (where creditworthiness is assessed)</li> <li>• Marriage (divorce, spouse death), birth certificate [original]</li> <li>• Certificate of title to real estate to be pledged [original]</li> <li>• Geodetic measurement report of land plot to be pledged**</li> <li>• Initial real estate appraisal report</li> </ul> <p style="text-align: center;"><b>Documents required after loan approval</b></p> <ul style="list-style-type: none"> <li>• Copies of bases of title to real estate (to be submitted upon request)</li> <li>• Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged</li> <li>• Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement)</li> <li>• Real estate appraisal report (final)</li> <li>• Real estate insurance policy</li> <li>• Other documents as the bank's specialist may request</li> </ul>
Other fees	Other fees payable by client	<ul style="list-style-type: none"> <li>• Fee for unified statement from the State Committee of Real Estate Cadaster of the Government of the Republic of Armenia</li> <li>• Fees for notarization of pledge (real estate) and filing of the bank's security interest under pledge agreement</li> </ul>