

		AMERIABANK CJSC		10RB PL 72-03-01			
Retail Lending Terms and Conditions				Version 10			
				Effective since May 6, 2016			
				Approved by Management Board Resolution №01/59/16 as of April 25, 2016 Chairman of the Management Board - General Director Artak Hanesyan			
1.2 Home renovation loan							
Purpose	Purpose	(i) Renovation of residential property, or (ii) transfer of a loan for renovation of residential property from another bank/credit organization to Ameriabank CJSC					
	In case of loans issued under cooperation with the National Mortgage Company	Renovation of residential property					
Client's personal details	Eligible age	18-63 years old, provided that the borrower's age at loan maturity will not have exceeded 63, otherwise a coborrower or guarantor is required. The eligible age of coborrower or guarantor is 18-63 provided that at the expiry of the agreement it will not have exceeded 63. If presence of a coborrower or guarantor is a required condition pursuant to the loan terms (except where the coborrowers or guarantors possess at least 70% of the income included in the OTI ratio calculation), the eligible age is 18-63 provided that at the expiry of the agreement it will not have exceeded 63.					
	Residency	Citizens of Armenia and other countries who are resident in Armenia					
	In case of loans issued under cooperation with the National Mortgage Company	Armenian citizens who are resident in Armenia					
Solvency assessment*	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			
		50%	55%	60%			
	In case of loans issued under cooperation with the National Mortgage Company	45%					
	Difference between total income and liabilities (OSM)	Yerevan: ≥ AMD 60,000 Regions: ≥ AMD 36,000	Yerevan: ≥ AMD 90,000 Regions: ≥ AMD 60,000	Yerevan: ≥ AMD 120,000 Regions: ≥ AMD 90,000			
Terms of the loan	Currency	AMD	USD	EUR			
		In case of loans issued under cooperation with the National Mortgage Company	AMD				
	Minimum and maximum credit limit		AMD 1,000,000 - AMD 100,000,000	USD 3,000 - USD 300,000	EUR 3,000 - EUR 300,000		
			The loan is disbursed in parts. Each subsequent disbursement is made if the borrower has used the previous disbursement for its intended purpose. This condition is not applicable if the amount of the loan is up to 7 million AMD or if the loan is transferred from another bank.				
		In case of loans issued under cooperation with the National Mortgage Company	AMD 1,000,000 - AMD 25,000,000				
			The loan is disbursed in parts. Each subsequent disbursement is made if the borrower has used the previous disbursement for its intended purpose.				
Term (months)		6-120					
	In case of loans issued under cooperation with the National Mortgage Company	60					
Annual interest rate**		Floating (applicable starting from the 37th month)	Fixed	Floating (applicable starting from the 37th month)	Fixed	Floating (applicable starting from the 37th month)	Fixed
		Fixed component 6.5% + variable component (base rate)	17%	Fixed component 10.5% + variable component (base rate)	12%	Fixed component 9.5% + variable component (base rate)	11%
		The specified interest rate is applicable if (i) at least the amount for repayment of the loan is received through Ameriabank accounts, or (ii) the borrower has been Ameriabank account holder for at least 3 months, or (iii) the loan is used for transfer of loan facilities from another bank/credit institution if the payments under such liabilities during the most recent 3 months have been made in a proper and timely manner. If none of the specified conditions is in place, the applicable interest rate is +0.5%.					
		If the LTV ratio deviates from the standard terms and additional security is required, the applicable interest rate is +1%.					
		If the loan repayment form is differentiated or mixed, the applicable interest rate is +0.5%.					
		Where at the client's request insurance is obtained by the Bank, the interest rate shall be increased by 0.2%.					
		If the borrower prefers lending scheme without early repayment penalty, the applicable interest rate is +1%.					
		In case of other deviations, as well as depending on the Client's credit history and assessment of the credit risks, the applicable interest rate may be higher, at least by 0.5%.					
		If the client's ACRA score is 550 or below, the applicable interest rate shall be +0.5% to the current rate. If ACRA score is 750 or above, the applicable rate shall be -0.5% from the current rate.					
		In case of loans issued under cooperation with the National Mortgage Company	13% fixed				The Bank has the right to revise the annual interest rate once in 3 years and change it in line with the change of the refinancing rate of National Mortgage Company UCO CJSC.

	Loan disbursement upfront fee	0.5% of the loan principal or AMD 50,000, whichever the greater
	Cashing the loan by the borrower	Free
Forms of loan repayment	Loan repayment form	Annuity (equal loan installments consisting of a portion of loan and a portion of interest; payable on monthly basis)
		Differentiated (repayment of equal portions of principal with decreasing interest accrued to the outstanding balance; payable on monthly basis)
		Mixed (the client may choose an individual repayment schedule based on the seasonality of cash flows, provided that the amount of principal repaid each year makes at least 5% of contractual amount). Interest is payable on monthly basis.
In case of loans issued under cooperation with the National Mortgage Company		Annuity (equal loan installments consisting of a portion of loan and a portion of interest; payable on monthly basis)
		Differentiated (repayment of equal portions of principal with decreasing interest accrued to the outstanding balance; payable on monthly basis)
Security	Eligible security	<ol style="list-style-type: none"> The loan is secured by the property being renovated. The Bank may consider pledge of other real estate as additional security to the reasonable satisfaction of the Bank. If the borrower wishes to renovate half-finished property without registered certificate of title, the loan is secured by another Armenia-based real estate to the reasonable satisfaction of the Bank.
	LTV (loan to value) ratio	The maximum loan principal is (i) 70% of the liquidation value of the real estate pledged, if in Yerevan, or (ii) 60% of the liquidation value of the real estate pledged, if it is outside Yerevan.
	In case of loans issued under cooperation with the National Mortgage Company	The maximum loan principal is (i) 70% of the liquidation value of the real estate pledged, if in Yerevan, or (ii) 60% of the liquidation value of the real estate pledged, if it is outside Yerevan.
	Location of the real estate to be pledged	Capital cities and regional centers in Armenia and Nagorno Karabakh, as well as Abovyan, Etchmiadzin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan and Qajaran
	In case of loans issued under cooperation with the National Mortgage Company	Capital city and regional centers of Armenia, as well as Abovyan, Etchmiadzin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan and Qajaran
	Pledge appraisal	The pledged property shall be appraised by a company cooperating with the Bank.
	Additional security	The Bank may request warranty by individuals and/or companies as additional security.
Insurance of pledged property	Insurance of pledged property	<p>The insurance of the pledged real estate is maintained annually throughout the loan term:</p> <ol style="list-style-type: none"> By the client at least to the extent of the outstanding principal By the Bank to the extent of the outstanding principal.
	In case of loans issued under cooperation with the National Mortgage Company	The insurance of the pledged property is maintained by the Borrower annually throughout the loan term. The insurance coverage should be equal to appraised market value of the property pledged.
		The Borrower should acquire accidental death insurance at least to the extent of outstanding loan principal. If there are co-borrowers, the accidental death insurance should be maintained pro rata the share in the loan proceeds received by the Borrower and co-borrower(s).
Required documents	Required documents	Required documents filed together with loan application
		• Loan application
		• ID [original]
		• Certificate of ownership of the real estate to be bought/pledged [copy]
		Documents required after initial approval
		• Proof of employment and/or other income
		• Marriage (divorce, spouse death), birth certificate [original]
		• Certificate of title to the real estate to be pledged [original]
		• Initial real estate appraisal report
		• Renovation costs estimate
		Documents required after loan approval
		• Bases of title to real estate [copies], as the Bank may require
		• ID of the owners of the property to be purchased/pledged [original]
		• Copy of the marriage (divorce, spouse death) certificate of the owners of the property to be pledged
		• Statement from the State Committee of the Real Estate Cadastre on encumbrance of the real estate (unified statement)
• Real estate appraisal report (final)		
• Real estate insurance agreement		
• Other documents as the Bank's specialist may request		
Fines and penalties	Early repayment penalty	3% of the prepaid amount applicable during first 3 years of the loan term If the early repayment penalty is not applied, the loan interest rate is +1%.
	Late payment fee (principal and interest)	The interest rate stipulated in the agreement shall continue to be applied to overdue loans. Fine equal to 0.15% of the overdue loan for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 2% of the overdue loan. Fine equal to 0.3% of the overdue interest for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 5% of the overdue interest.

Other fees	Other fees payable by the client	<ul style="list-style-type: none"> • Fee for the joint statement from the State Committee of the Real Estate Cadaster adjunct to the RA Government • Fee for notarization and state registration of the bank's security interest under the real estate pledge agreement
	Subsequent pledge approval fee	AMD 100,000 (VAT included) per subsequent pledge approval based on the decision of the Bank's authorized body
	Subsequent pledge approval fee (subsequent pledge may be considered only in case of prior consent of the National Mortgage Company)	AMD 100,000 (VAT included) per subsequent pledge approval based on the decision of the Bank's authorized body

* The OTI ratio is calculated as the ratio of all outstanding obligations of the borrower, coborrower and family members to the estimated net income.

In case of loans issued under cooperation with the National Mortgage Company, the OTI is calculated as the ratio of all outstanding obligations only of the borrower and coborrower to the estimated net income

OTI calculation includes:

- Borrower's net income, or
- Borrower's and coborrower's net income, or
- Net income of the borrower, coborrower and the their family members.

In case of loans issued under cooperation with the National Mortgage Company, the OTI calculation includes only the borrower's and coborrowers' income.

OSM ratio is calculated as the difference between the income and loan obligations included in OTI calculation minus spendings of the borrower/coborrower and the family members.

Depending on the income, expenses per family members are calculated as follows below:

1. If the income is below AMD 400,000, the estimated expense per family member is AMD 60,000 if in Yerevan, AMD 36,000 if in the regions.
2. If the income is from AMD 400,000 to AMD 800,000, the estimated expense per family member is AMD 90,000 if in Yerevan, AMD 60,000 if in the regions.
3. If the income is above AMD 800,000, the estimated expense per family member is AMD 120,000 if in Yerevan, AMD 90,000 if in the regions.

Note that at least 70% of income included in the OTI calculation should belong either to the coborrower or the guarantor.

In case of loans issued under cooperation with the National Mortgage Company, the income included in the OTI calculation should belong either to the borrower or the coborrower.

OTI/OSM calculation includes maximum applicable amounts of monthly installments.

In case of lines of credit and gold-secured loans, the latter are included in the calculation of monthly liabilities to the extent of 5% of the credit limit/outstanding principal.

** Floating rates are applicable only if the loan term is more than 5 years. Fixed rates are applied if the loan term is 60 months or less for AMD-denominated loans, and 120 months or less for USD and EUR-denominated loans.