

Retail Lending Terms and Conditions

Edition 35

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5.1 Consumer loans secured by assets (including paper gold and cash)

Purpose	Purpose	(i) Personal/family/consumer expenses or (ii) transfer of a personal/family/consumer loan from another bank/credit organization to Ameriabank	
	Client's personal details		
Client's personal details	Eligible age of client/co-borrower/guarantor	18-65 years old, provided that the borrower's age at the time of expiry of loan agreement will not have exceeded 65, otherwise a co-borrower or guarantor is required. The eligible age of co-borrower or guarantor is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65. If involvement of a co-borrower or guarantor is a required condition under loan terms (except where co-borrowers or guarantors possess at least 70% of income included in OTI calculation), the eligible age is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65.	
	Residency	Citizens and non-citizens of Armenia who are resident in Armenia	
Terms of loan	Currency	AMD	
	Minimum and maximum loan limit	AMD 3 million* - AMD 50 million *The minimum threshold is not applicable to loans secured by deposits, gold and metal accounts.	
	Term (months)	36	
	Annual interest rate	Fixed	
		15.0%	
	Term (months)	37-60	
	Annual interest rate	Fixed	Adjustable (rate can be changed starting from the 13th month)
		16.0%	Fixed component 8.0% + variable component (base rate)
	Term (months)	61-120 (only for loans secured by real estate)	
	Annual interest rate	Adjustable (rate can be changed starting from the 37th month)	
		Fixed component 8.0% + variable component (base rate)	
	Other terms related to interest rate	Where the client wishes that insurance of pledge should be obtained by the bank, the rate of interest is increased by 2.5% if the pledge is vehicle, or 0.5% if the pledge is plant and equipment. Where insurance is obtained by client, the interest rate is decreased by 0.05%, considering the weight of each collateral type in total collateral.	
		If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.	
		If loan-to-value ratio differs from approved standard, the applicable interest rate is increased by 0.5%.	
		Depending on credit history, the applicable interest rate can be increased by 0.5%.	
If the loan is secured by cash or bonds issued by Ameriabank, the interest rate is: - % of deposit/bond + 4%, but in any case not more than the rates specified above, if the loan and the collateral are in the same currency - Rates specified above, if the loan and the collateral are in different currencies			
Where the client chooses a repayment option without early repayment fee for loans exceeding 15 million AMD, the interest rate is increased by 2% (not applicable to loans secured by cash/bonds).			
0.5% of loan amount or AMD 50,000, whichever is greater *Not applicable to loans secured by cash, bonds issued by Ameriabank or metal accounts			
Loan disbursement lump-sum fee			
Cashing of loan by borrower	Free		
Forms of loan repayment	Loan repayment form	Annuity (equal monthly installments consisting of a portion of loan and a portion of interest)	
		Differentiated (monthly repayment of equal portions of principal amount while interest accrues to outstanding loan and decreases each month)	
		Mixed (client may choose an individual repayment schedule based on seasonality of cash flows, provided that at least 20% of contractual loan amount is repaid each year; interest payable on monthly basis)	

Security	Eligible security	Real estate, vehicles, plant and equipment to the reasonable satisfaction of the bank, metal accounts in gold, cash and bonds issued by Ameriabank
	Maximum loan-to-value (LTV) ratio (if the loan is secured by real estate, vehicles or plant and equipment, calculation is based on their liquidation value)	The value of pledge is included in calculation of LTV ratio in the following maximum amounts by types of property: 1. Real estate: 70% if in Yerevan, 60% if outside Yerevan 2. Vehicles: 60% 3. Property and equipment: 40%, but not more than 30% of the value of aggregate pledge 4. Metal accounts in gold with Ameriabank: 80% 5. Cash in/bonds issued by Ameriabank: - 90%, if in the same currency as the loan - 70%, if in different currency
	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
	Age of vehicles to be pledged	Max 12 years for foreign brand vehicles other than vehicles made in Russia, China and Iran, in which case max age is 8 years
	Appraisal of pledge	Vehicles to be appraised by an appraising partner of the bank.
		Real estate 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 for pledged real estate, vehicles, plant and equipment to be maintained throughout the term of loan: 1. By client at least to the extent of outstanding loan 2. By the bank to the extent of outstanding loan The bank does not obtain insurance for the following vehicles: • Vehicles transporting hazardous materials (toxic substances, chemicals, radioactive and explosive materials) • Vehicles to be used in races, test drives; vehicles which have three wheels, snow removers, motorcycles, special purpose vehicles • Taxis and rental cars	
Early repayment fee	5% of prepaid amount, chargeable if early repayment of the whole or part of loan is made during the first 3 years of loan term for loans exceeding AMD 15 million. Not applicable to loans secured by cash or bonds.	
Required documents	Required documents	Required documents filed together with loan application
		• Loan application
		• ID [original]
		• Certificate of ownership of property to be purchased/pledged [copy]
		Documents required after initial approval
		• Proof of employment and/or other income
		• Marriage (divorce, spouse death), birth certificate [original]
		• Certificates of registration and ownership certificates of vehicles to be pledged [original]
		• Certificate of title to real estate to be pledged [original]
		• Geodetic measurement report of land plot to be pledged**
		• Initial report on appraisal of real estate/vehicle
		Documents required after loan approval
		• Copies of bases of title to real estate (to be submitted upon request)
		• IDs of owners of property to be purchased/pledged [originals]
		• Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged
		• Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement)
		• Statement, issued by the Police, on encumbrance of vehicle
		• Real estate appraisal report (final)
		• Real estate/vehicle insurance policy
		• Other documents as the bank's specialist may request
Late payment fines and penalties	The interest rate specified in loan agreement shall continue to be applied to overdue loans. Fine in the amount of 0.13% of overdue loan/interest for each day beyond terms	
Other fees	Other fees payable by client • Fee for unified statement from the State Committee of Real Estate Cadaster of the Government of the Republic of Armenia • Fees for notarization of pledge (real estate or vehicle) and filing of the bank's security interest under pledge agreement • Fee for statement from the Police on encumbrance of vehicle	