## 8. Financing limit secured by real estate (equity loan)

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| 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 | 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 | | |
| | | | **Yerevan** | **Other areas of Armenia satisfactory to the Bank** |
| | Minimum and maximum limits | **If the borrower's creditworthiness is not assessed** | Up to AMD 30 million or its equivalent in another currency | Up to AMD 20 million or its equivalent in another currency |
| | | **If the borrower's creditworthiness is assessed** | Up to AMD 50 million or its equivalent in another currency | Up to AMD 50 million or its equivalent in another currency |
| | Term of limit | The limit is effective for 24 months after approval. The limit will be automatically renewed/reissued for another term of 24 months (w/o further re-approval) if the LTV ratio requirement estimated on the basis of the credit history and property appraisal 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 | **If the borrower's creditworthiness is not assessed:** if the pledged property is an apartment or commercial premises in Yerevan, interest rate applicable to the loan to be issued under the limit +1%. | | |
| | | **If the borrower's creditworthiness is not assessed:** if the pledged property is a detached house* or a land plot* in Yerevan, interest rate applicable to the loan to be issued under the limit +2%. | | |
| | | **If the borrower's creditworthiness is not assessed:** if the pledged property is an apartment, or commercial premises*, or a detached house*, or a land plot* in any area in Armenia satisfactory to the Bank, the interest rate applicable to the given loan facility +2%. | | |
| | | **If the borrower's creditworthiness is assessed:** interest rate applicable to the loan to be issued under the limit. | | |
| | | **If the borrower's creditworthiness is assessed:** where loan-to-value (LTV) ratio is above 60% if pledged property is in Yerevan, or above 50%, if outside Yerevan, interest rate is increased by 0.5%. | | |
| Forms of repayment | Repayment | In accordance with the terms of loan to be issued under the limit | | |
| Security | Eligible security | Apartment, commercial premises, detached house** and land plot** to the reasonable satisfaction of the bank, owned by the borrower or their family member | | |
| | Loan-to-value (LTV) ratio | **If the borrower's creditworthiness is not assessed** | | |
| | | • **If the property is in Yerevan** | | |
| | | 50% of liquidation value in case of **apartments** | | |
| | | 30% of liquidation value in case of **commercial premises** | | |
| | | 30% of liquidation value in case of **detached houses*** | | |
| | | 30% of liquidation value in case of **land plots*** | | |
| | | • **If the property is in other areas of Armenia satisfactory to the Bank** | | |
| | | 40% of liquidation value in case of **apartments** | | |
| | | 20% of liquidation value in case of **commercial premises** | | |
| | | 20% of liquidation value in case of **detached houses*** | | |
| | | 20% of liquidation value in case of **land plots*** | | |

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| | | **If the borrower's creditworthiness is assessed** |
| | | **• If the property is in Yerevan** |
| | | 70% of liquidation value of the **property (apartments)** |
| | | **• If the property is in other areas of Armenia satisfactory to the Bank** |
| | | 60% of liquidation value of **the property (apartments)** if it is in other areas of Armenia satisfactory to the Bank |
| | 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 |
| | Collateral appraisal | Pledged property to be appraised by an appraising partner of the bank. |
| | Additional security | The bank may request guarantee of individuals and/or companies as additional security. |
| Insurance of pledged property | Insurance of pledged property | Insurance of the pledged real estate to be maintained throughout the term of loan:<br>1. If by the client: at least for the amount of the outstanding principal/credit limit (in the manner defined under that particular loan product)<br>2. If by the bank: for the amount of the outstanding principal/credit limit (in the manner defined under that particular loan product) |
| | Re-appraisal of pledge | Every 24 months during the term of the limit (for re-issuance of non-utilized limit or part of it) |
| Credit history | Satisfactory credit history | Total number of past due days during the previous 2 years should not exceed 30, where the number of consecutive 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 | **Documents to be filed at application** |
| | | • Application |
| | | • ID [original] |
| | | • Certificate of ownership of property to be pledged [copy] |
| | | **Documents required after initial approval** |
| | | • Proof of employment and/or other income (where creditworthiness is assessed) |
| | | • Marriage (divorce, spouse death), birth certificate [original] |
| | | • Certificate of title to real estate to be pledged [original] |
| | | • Geodetic measurement report of land plot to be pledged** |
| | | • Initial real estate appraisal report |
| | | **Documents required after loan approval** |
| | | • Copies of bases of title to real estate (to be submitted upon request) |
| | | • 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) |
| | | • Real estate appraisal report (final) |
| | | • Real estate insurance policy |
| | | • Other documents as the bank's specialist may request |
| 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<br>• Fees for notarization of pledge (real estate) and filing of the bank’s security interest under pledge agreement |