1.4. Loan for construction of residential real estate

Purpose	Purpose	(i) Construction of residential property, or (ii) transfer of a loan for construction of residential property from another bank/credit organization to Ameriabank CJSC		
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	USD	EUR
	Minimum and maximum loan limit	AMD 3,000,000 - AMD 150,000,000	USD 5,000 - USD 300,000	EUR 5,000 - EUR 300,000
		Loans are disbursed by installments. Each disbursement is subject to proper use of previous disbursement for its intended purpose by the borrower, except where the amount of loan is AMD 7 million or less or the loan has been transferred from another bank, in which cases the sum is disbursed lump-sum.		
	Term (months)	60		
	Nominal annual interest rate (including property insurance)[1]	Fixed	Fixed	Fixed
		12.5%	10.5%	8.5%
	Annual percentage rate (including property insurance)	Fixed	Fixed	Fixed
		13.26%-14.43%	11.03%-12.33%	8.85%-9.9%
	Term (months)	61-240		
	Nominal annual interest rate (including property insurance)[1]	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)
		Fixed component 6% + variable component (base rate)	Fixed component 9% + variable component (base rate)	Fixed component 8% + variable component (base rate)
	Annual percentage rate (including property insurance)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)
		13.24%-14.41%	11.03%-13.36%	8.84%-9.88%
	Other terms related to interest rate	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 client prefers a lending scheme without early repayment fee, the applicable interest rate is increased by 0.5% (not applicable to loans secured by cash or bonds).		
		Where insurance is obtained by client, the interest rate is decreased by 0.05%.		
	Loan disbursement upfront fee	N/a		
	Cashing of loan by borrower	Free		

Forms of loan repayment	Repayment	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 5% of contractual loan amount is repaid each year; interest payable on monthly basis)
Security	Eligible security	1. The loan is secured by the property being purchased. The bank may consider as additional security pledge of other real estate to the reasonable satisfaction of the bank, as well as cash in Ameriabank or bonds issued by Ameriabank. 2. If the borrower wishes to purchase property under construction without registered certificate of title, the loan will be secured by other Armenia-based real estate to the reasonable satisfaction of the bank.
	Loan-to-value (LTV) ratio	Maximum loan amount is 100%[1] of the lower of the two: appraised liquidation value or purchase price of pledged property; or 100% of pledged cash in Ameriabank or bonds issued by Ameriabank.
	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 guarantee of individuals and/or companies as additional security.
Insurance of pledged property	Insurance of pledged property	Insurance for pledged real estate to be obtained on an annual basis throughout loan term: - By the bank to the extent of outstanding loan - By the client at least to the extent of outstanding loan
	Term of fulfillment of conditions of loan	12 months after disbursement of the last installment, unless otherwise determined by the authorized body of the bank approving the loan
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]
		• Other documents as the bank's specialist may request
		Documents required after initial approval
		• Proof of employment and/or other income
		• 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**
		• Real estate appraisal report (initial)
		• Construction costs estimate
		• Other documents as the bank's specialist may request
		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)
		• Real estate appraisal report (final)
		• Other documents as the bank's specialist may request
	Early repayment fee	At any time during a contractual year the borrower can make an early repayment to the extent of outstanding principal amount of loan for that contractual year. A contractual year is each period of 12 months following the date of execution of credit agreement. Where the amount of early repayment exceeds the specified limit, the following fees are charged: • Max 0.6% of early repayment, if made during the first year of agreement • Max 0.4% of early repayment, if made during the second year of agreement • Max 0.2% of early repayment, if made during the third year of agreement

	Late payment fines and penalties	The interest rate specified in the 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) and filing of the bank's security interest under pledge agreement

1. Depending on the creditworthiness of the borrower, term of loan and LTV ratio, a higher or lower interest rate can be applied.

Lines of credit and gold-secured loans are included in calculation of monthly liabilities to the extent of 5% of credit limit/outstanding loan.

**Geodetic measurement is required for any land other than fenced plots or grounds attached to house, if:
- Client has applied for a loan above AMD 50 million, and
- Share of credit limit to be secured by such land plot exceeds 30% of total available credit limit. For the purposes of this document total available credit limit means the sum of all loan proceeds made available to client by decision of the bank's authorized body within acceptable LTV ratio and subject to disbursement at the given moment.