

The terms mentioned in the bulletin can have be amended.

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Information bulletin of energy efficient and regional mortgage loans				Guideline for internal use
1.	Main conditions			
1.1	<i>Purpose of the loan</i>	<ul style="list-style-type: none"> ✓ Acquisition of residential real estate property meeting the EE standards ✓ Acquisition of residential real estate property in the region 	<ul style="list-style-type: none"> ✓ Renovation of residential real estate property in the region ¹ ✓ EE renovation ² 	
1.2	<i>Loan currency</i>	AMD	AMD	
1.3	<i>Minimum loan amount</i>	5,000,000	EE renovation - 3,000,000 ³	
1.4	<i>Maximum loan amount</i>	45,000,000	45,000,000	
1.5	<i>Rocket Line</i> ⁴	Up to 10% of the mortgage loan, not more than AMD 10 000 000		Other conditions according to the information bulletin on "ROCKET LINE loan/credit limit" of the Bank

¹ In case of purchasing and repairing residential real estate in the region, the maximum loan amount is 35,000,000 AMD

² At least 40% of the loan amount must be used for the purpose of energy efficient improvement and replacement of old household appliances (list of household appliances subject to replacement – refrigerator, laundry machine, boiler, air conditioner, led lamps meeting high energy efficiency standards), moreover, the mentioned amount cannot be used only for obtaining household appliances. EE improvement includes replacement of old windows, entrance door, heating systems with new ones, insulation, installation of appliances producing electricity.

³ Approximate monetary equivalents of 6,000 Euros

⁴ The sum of unsecured loans of the borrower at IDBank CJSC cannot exceed AMD 10 000 000.

1.6	<i>Credit line</i> ⁵	Up to 5% of the mortgage loan, not more than AMD 5 000 000			Other conditions according to the information bulletin on "Credit lines" of the Bank, moreover in case if the credit lines and the Rocket lines participate in the OTI calculation the payment of the credit line/Rocket line will be calculated as per the example of annuity loan provided for a term of 60 months.
1.7	<i>Minimum loan term</i>	120 months	60 months		
1.8	<i>Maximum loan term</i>	240 months	120 months		
1.9	<i>Nominal annual interest rate</i> ⁶	<i>Fixed interest rate</i> ¹ for the whole term 9.5%-11.05% /according to Table 1/	<i>Fixed interest rate</i> for the whole term 9.9%-11.9%		
1.10	<i>Effective annual interest rate</i> ⁷	10.01%-11.83%	10.48%-13.07%		
1.11	<i>Minimum prepayment</i>	30%	Not specified		
		10% ⁸ in case of pledging an additional residential real estate property (second pledge), or if prepayment insurance is carried out.			

⁵ The sum of unsecured loans of the borrower at IDBank CJSC cannot exceed AMD 10 000 000.

⁶ In case if the insurance of the real estate property being acquired and/or life of the borrower/coborrower (if applicable) from accidents is performed by the client the nominal annual interest rate of the loan is reduced by 0.25%.

⁷ **LOAN INTEREST AMOUNTS ARE CALCULATED BASED ON THE NOMINAL INTEREST RATE. LOAN INTEREST AMOUNT IS CALCULATED TOWARDS THE ACTUAL LOAN BALANCE, AND THE EFFECTIVE ANNUAL INTEREST RATE INDICATES HOW MUCH THE LOAN WOULD COST THE CLIENT GIVEN ALL THE INTEREST AND OTHER PAYMENTS ARE MADE IN DEFINED TERMS AND AMOUNTS.**

⁸ In case if no additional real estate property is pledged insurance of the prepayment must be performed in the amount of the difference between the established minimum prepayment and the prepayment made.

1.12	<i>Security (pledge)⁹</i>	<ul style="list-style-type: none"> ✓ Real estate property being acquired ✓ The right of acquisition <p>Additional residential real estate property is pledged in case of 10% -29.9 % prepayment unless the prepayment has been insured</p>	<ul style="list-style-type: none"> ✓ The real estate property being renovated 	
1.13	<i>Loan/collateral¹⁰</i>	<p>70% Or</p> <p>up to 90%, if in addition to the acquired real estate / right of pledge other residential real estate is pledged or the client provides prepayment insurance in the amount of the difference between the minimum prepayment and the prepayment made.</p>	<p>70% Or</p> <p>up to 90%, if in addition to the acquired real estate / right of pledge other residential real estate is pledged or the client provides prepayment insurance in the amount of the difference between the minimum prepayment and the prepayment made.</p>	<p><i>In case of pledging 2 properties the loan/pledge ratio cannot exceed 70% of the aggregate estimated value of the 2 properties, which must not exceed 90% of the least of the estimated and acquisition prices of the real estate property being acquired.</i></p> <p>The requirement for prepayment insurance ceases from the moment when the loan/pledge ratio reaches 70% as a result of payments in terms of the loan.</p>
1.14	<i>Loan disbursement method</i>	One-time non-cash through current account		
1.15	<i>Grace period</i>	Up to 12 months of grace period only in case of regional apartment loans, otherwise no grace period is defined		
1.16	<i>Method of loan and interest repayment</i>	<ul style="list-style-type: none"> ✓ Annuity repayment method – Equal monthly repayments of the sum of loan principal and interest amount ✓ Differentiated repayment method equal monthly repayments of loan principal, repayments of interest amount on a monthly basis 		
1.17	<i>Loan application revision fee</i>	Not specified		
1.18	<i>One-time loan disbursement fee¹¹</i>	1%, maximum AMD 200,000		

⁹ In case of regional loans amounting to less than AMD 2 million a pledge of moveable property and/or guarantee of a third person can be considered.

¹⁰ The loan/collateral ratio calculation is based on the least value between the acquisition value and the estimated market value of the property.

¹¹ The one-time loan disbursement fee is charged from the contractual loan amount.

1.19	Bank account opening	Opened in the loan currency according to the tariffs applied in the Bank.		
1.20	Fees for pledge registration	Implemented by the employee: <ul style="list-style-type: none">• Pledge assessment fee*• Fee for unified reference on restrictions on the subject of pledge• Notarization fee for the real estate that is the subject of collateral• Fee for registration of the Bank's right arising from the pledge agreement in the competent state body <p>* In case of acquisition of residential real estate property from the primary market, the pledge assessment fee will be covered by the Bank.</p>		
1.21	Commission for encashment of loan amount and prepayment	Not specified		Opening an account for the seller according to the tariffs applied in the Bank. If the seller is a physical entity the cash withdrawal of the loan amount from the account shall be free of charge.
1.22	Pledger	In case of real estate property being acquired – the borrower and/or coborrower, in case of other real estate property (other pledge) – any other physical or legal entity.		
1.23	Relations between the borrower/coborrower and seller of the real estate property	The real estate property cannot be acquired from the physical entity who is the family member of the borrower/coborrower, particularly borrower/coborrower's father, mother, spouse, spouse's parent, grandmother, grandfather, sister, brother, child, spouse and child of the sister, brother.		
2.	Requirements to borrower/coborrower			
2.1	Status of the borrower/coborrower	RA citizen physical entity whose main source of income is in the RA		
2.2	Age restriction	Borrower – physical entity over 21 years old whose age must not exceed 65 years by the loan maturity, Coborrower – a physical entity over 21 years old whose age must not exceed 65 years at the moment of loan disbursement (the age restriction requirement shall not be applied if based on the information submitted in the application form the financial state of the borrower (other coborrowers) is enough to repay the loan without the given coborrower (coborrowers).		
2.3	General principle of borrower/coborrower's creditworthiness assessment ¹²	Maximum total debt to income ratio (OTI) must not exceed:		
		45%	45%	
2.4	Incomes of the	1) Composition of primary incomes – according to Appendix 1		The borrower and/or one of the co-borrowers must

¹² The L/I coefficient is defined as the ratio of the aggregate monthly repayment in term of all the borrower's loans to average monthly income. The creditworthiness assessment for the loans provided in the villages can be performed based on the net household/family income:
 Debt Service Coverage Ratio = Net family income/at least 120% of debt repayments.

	<i>borrower/coborrower</i>	2) Composition of secondary incomes – according to Appendix 1	have primary income.
2.5	<i>Requirements to the borrower's/coborrower's credit history</i>	<ol style="list-style-type: none"> 1. Absence of credit history or 2. Absence of overdue liabilities towards the financial-banking system as of the date of acceptance of the loan application (in terms of loans, credit lines, overdrafts, provided guarantee etc.), and 3. Less than 30 total overdue days in terms of loan principal amount and/or interest repayments in terms of loans (credit line, overdraft, guarantee etc.) received within the 12 months preceding the loan application submission date. 4. The client must not be included in the list of unwanted clients of the Bank¹³. 	
2.6	<i>FINES, PENALTIES</i>	<p>Penalty for overdue principal amount – 0.1% daily</p> <p>Penalty for overdue interest amount – 0.1% daily</p> <p>In case of early loan repayment:</p> <ul style="list-style-type: none"> - 0.6% of early repaid amount for the 1st year of the loan agreement, - 0.4% of early repaid amount for the 2nd year of the loan agreement, - 0.2% of early repaid amount for the 3rd year of the loan agreement, - No early repayment penalty is charged after the 3rd year of the loan agreement. <p>No early repayment penalty is charged for the amount which does not exceed the aggregate sum of principal amount repayments provided by the repayment schedule for the 12 months following the early repayment.</p> <p><i>In case of non-targeted use of the loan the Bank is entitled to demand:</i></p> <ol style="list-style-type: none"> 1) early repayment of the whole loan amount, 2) penalty in the amount of 25% of the misused loan amount, 3) revision of loan interest rate according to the competent body if the Bank. 	
2.7	<i>Insurance</i>	Performed by the Bank according to Appendix 2	
2.8	<i>Requirements to the subject of pledge¹⁴</i>	Presented in Appendix 3	
2.9	<i>Place of acceptance of the application and documents</i>	All branches of the Bank	
2.10	<i>Loan decision making and notification of the client</i>	Up to 3 business days after submission of a complete package of documents required by the Bank	
2.11	<i>Loan disbursement term</i>	Maximum 3 business days after submission of complete package of documents and registration of the right of pledge after the decision has been made	
2.12	<i>Validity of the loan decision</i>	30 business days	
2.13	<i>Chief credit agreement</i>	The Bank concludes a chief loan agreement with the client for a term of up to 240 months and in the amount of up to 100% of the market price of the real estate property except for loans provided within the scope of "Affordable Housing for Young Families" program	

¹³ The legal relations regarding the classification of the bank as an unwanted customer are regulated by the procedure "On defining the criteria of classification of a client as unwanted and management of relations with them"- https://idbank.am/information/helpfull-information/Classification_procedure_eng.pdf

2.14	List of documents to be submitted by the client	according to Appendix 4	
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Note:

*In addition to the commission fees mentioned in these terms, the borrower shall also bear the following expenses (in case of 1 collateral) *:*

- *Property appraisal fee in the amount of up to AMD 25,000. The list and tariffs of appraisal companies cooperating with the Bank are presented at the following link: [List of appraisal companies](#)*
- *Unified reference – up to AMD 10,300*
- *Inquiry of information – AMD 1,300*
- *Notarization fee – up to AMD 20,000*
- *Registration of right of pledge – up to AMD 26,400*
- *Registration of ownership right – up to AMD 46,100*
- *Insurance of the property being pledged (in case if performed by the client) – in the amount of 0,16% of the loan balance*
- *Borrower's insurance (in case if performed by the client) - in the amount of 0,16% of the loan balance*
The list and tariffs of insurance companies cooperating with the Bank are presented at the following link: [List of insurance companies](#)

Irrespective of the rates of the Bank stated in these terms, the fees for services rendered by third parties can be changed by the third parties.

Attention:

In order to receive a loan, the borrower/coborrower must provide the Bank with his/her e-mail address, otherwise the loan shall be rejected.

Table 1

Source of financing	National mortgage company	
Loan term	120-180 months	181-240 months
Loan interest rate	10%	10.5%
<p>Cases of interest rate changes:</p> <ul style="list-style-type: none">• In case if the insurance of the real estate property being acquired and/or life of the borrower/coborrower (if applicable) from accidents is performed by the client the nominal annual interest rate of the loan is reduced by 0.25%.• In case of joining the IDsalary and IDsalary+ salary packages the nominal annual interest rate of the loan is reduced by 0.25% (in the amount of at least 80% of total income of the borrower and/or coborrower(s)) the annual nominal interest rate of the loan decreases by 0.25%.• In case if the prepayment insurance is performed by the Bank the annual nominal interest rate of the loan shall increase by 0.55%.		

Income composition and maximum weights to participate in the OTI ratio		
1.	Primary income	
1.1	Salary/income received for the main work hours, based on the professional skills and abilities of the borrower/coborrower	100%
1.2	Income (profit) received as a result of own business activities, and grounded by appropriate documents* * the business must be registered in the corresponding state body and operate for at least 12 consecutive months	
2.	Secondary income	
2.1	Income received from rental which is grounded by documents. Moreover, the real estate property must have been rented for at least 270 days within the 12 months preceding the loan application acceptance date, which is grounded by documents.	100%
2.2	Bonuses if the latter bear a regular nature (at least semi-annually) and have been paid within the past one year	100%
2.3	Dividends, which bear a permanent nature, and the payment of which has been made from the declared profit	100%
2.4	Income from investments into state treasury bonds, CBA securities, other securities, received during at least one year prior to the date of loan application.	60%
2.5	Income grounded by a relevant agreement which is not directly related to the borrower's/coborrower's professional occupation or skills.	60%
2.6	Income received for paid works or rendered services over at least one year grounded by corresponding agreements	50%
2.7	Transfers received for at least eight months over a year preceding the date of loan application if these transfers have been received from family members (family members are the father, mother, spouse's parents, grandfather, grandmother, sister, brother, children, spouse and children of sister/brother)	60%
2.8	Pension for long term service (employees of the Police of the Government of RA, RA Ministry of Defense, penitentiaries and other appropriate institutions, pedagogues, judges, etc.), pension for the death of breadwinner, etc. (except for retirement pension)	60%
2.9	Other types of income acceptable for the Bank's competent body.	Up to 100%

1. Insurance of borrower/coborrower

Insurance of borrower/coborrower

Insurance is provided against loss of life as a result of accident and loss of permanent ability to work in the amount of the loan balance:

1. Each year on an annual basis,
2. For the last year of the loan for the period left before the loan repayment,
3. In proportion to the income of the borrower/coborrower participating in the loan repayment.

2. Insurance of the subject of pledge

Insurance of the real estate property being acquired *

Insurance is performed in the amount of the loan balance:

- 1) each year on an annual basis,
- 2) for the last year of the loan for the period remaining to the loan repayment

* Insurance is performed upon existence of ownership certificate confirming 100% completeness of the real estate property being acquired. In case if a second property is being pledged:

1. If the property being acquired has 100% completeness and at the same time:
 - 1) The market value of the property being acquired is greater than the loan balance, the property being acquired will be insured in the amount of the loan balance.
 - 2) The value of the property being acquired is less than the loan balance, the property being acquired will be insured in the amount of the market price and the 2nd property – in the amount of the difference between the loan balance and market price of the property being acquired.
2. Before the availability of the ownership certificate of the property being acquired with 100% completeness, the 2nd property shall be insured. Particularly:
 - 3) If the market value of the 2nd property is greater than the loan balance, only the 2nd property will be insured in the amount of the loan balance. After 100% completeness of the property being acquired the latter will be insured in the amount of the difference before the end of insurance term of the 2nd property after which the property being acquired will be insured on an annual basis.
 - 4) If the market value of the 2nd property is less than the loan balance, only the 2nd property will be insured in the amount of the market value. After 100% completeness of the property being acquired the latter will be insured in the amount of the difference before the end of insurance term of the 2nd property after which the property being acquired will be insured on an annual basis.

3. Prepayment insurance

Insurance of prepayment

In case if the loan/collateral ratio exceeds 70% and/or absence of an additional pledged real estate property the prepayment must be insured.

Appendix 3

Requirements to the subject of pledge

1	<i>Subject of pledge</i>	Real estate property being acquired, right to acquire the real estate property, other residential/public real estate property
2	<i>Location of the subject of pledge</i>	RA territory
3	<i>Appraisal of the subject of pledge</i>	The subject of pledge must be appraised by one of the specialized organizations cooperating with the Bank
4	<i>Insurance of the subject of pledge</i>	according to appendix 2
5	<i>Other requirements</i>	The subject of pledge must:
		1) not be located on the territory of another building, dormitory
		2) not be located on the territory of overriding public interest,
		3) not have a common yard area with another owner if it's a residential house or it should not include a land area which is mutually owned by another owner or the residential house is overburdened with land rental or free use.

Mortgage loans preapproval guide

1. A client can apply to the Bank for mortgage loan preapproval.
2. The client shall submit all the documents necessary for provision of mortgage loans except for documents related to the real estate property being acquired (certificate of ownership, document on right of acquisition of the real estate property under construction, collateral appraisal act etc.), fills in the required application form and provides a consent to perform ACRA inquiry.

3. The client manager studies the submitted documents, calculated the possible loan amount to be provided to the client or the price of the real estate property being acquired, which the client would be able to acquire according to the submitted information.
4. If the client is satisfied with the offered variant, the client manager prepares a loan approval request according to the requirements of the "Procedure of providing mortgage loans to physical entities", except for the documents related to the collateral, and sends it to the CRMD.
5. In case of a positive decision on the loan, the loan can be provided (double decision is made) if the client submits all the documents on the real estate property to be acquired which have not been submitted before within 30 business days, if the loan amount approved for the client is not going to change. In case if the loan amount is going to differ from the approved amount the Client manager sends the client's package for double approval.

GENERAL PROVISIONS

1. Prior to conclusion of a loan agreement the Bank shall provide the client with the individual sheet of essential conditions of the loan which contains the individual conditions of the loan to be provided to the client.
2. The Bank is obliged to provide the client with the mortgage loan offer 7 days prior to the agreement signing date and provide the client with the opportunity to think over before making a final decision.
3. The borrower has the right to completely or partially perform his/her contractual obligations ahead of time, paying a penalty if provided.
4. In case of early repayment, the payments, generating the Bank's income, included in the total cost of crediting the borrower, shall be proportionally reduced.
5. The client is entitled to fulfil (repay) his/her contractual obligations ahead of time irrespective of the fact of such right being prescribed by the loan agreement or not.
6. The real estate mortgage agreement must be notarized. The property ownership right, mortgage right and other property rights are subject to state registration.
7. Loan interest amounts shall be calculated based on the effective interest rate. Loan interest amount shall be calculated against actual loan balance.
8. The effective annual interest rate indicates the cost of the loan for the client given all the interest amounts and fees are repaid in the defined terms and amounts.
9. The order of effective annual interest rate calculation is presented at the following link: [Guideline on effective annual interest rate calculation](#).
10. In case of foreign currency loans the effective interest rate calculation is based on the exchange rate published on the official website of the RA Central Bank at the moment of provision of loan. The effective interest rate can change depending on the change of the exchange rate published on the official website of the RA Central Bank.
11. In case of foreign currency loans the interest amounts calculated towards the principal loan amount can also be paid in the loan currency upon the client's request.
12. In case of foreign currency loans the changes of foreign currency exchange rates can impact the loan repayments.
13. In case of failure to perform interest and loan repayments on time the pledged property and/or monetary funds can be confiscated in an order prescribed by law, and the Bank shall send the information on the client to the credit bureau within a maximum of three business days, where the client's credit history is being shaped. The client has the right to receive his/her credit history free of charge once a year from the credit bureau.

14. A bad credit history can prevent a client from receiving loans in the future.
15. The borrower may be deprived of his/her property rights if he/she does not fulfill or improperly fulfills his obligations under the loan agreement.
16. In case if the collateral is not sufficient to fulfil a client's obligations at the expense of the collateral in the event of failure to fulfil obligations by the clients, the obligations can be repaid at the expense of other property of the client.
17. While performing overdue obligations, the repayments shall be implemented in the following order: cost of confiscation, including litigation expenses (if applicable), interest penalty, penalty for principal loan amount, interest, service fee and commissions /if applicable/ and principal loan amount. The Lender is entitled to unilaterally change the order of repayments mentioned in this provision at any time.
18. Disputes arising between the parties can be settled in a court proceeding or by the Financial system mediator (in the order prescribed by the RA law on "Financial system mediator"), located at 0010, Yerevan, 15 M. Khorenatsi St, "Elite Plaza" business center, 7th floor, e-mail – info@fsm.am, telephone – (+37460) 701111, fax –(+37410) 582421. Moreover, if the property claim does not exceed 250 000 (two hundred fifty thousand) AMD or equivalent in foreign currency, the decisions of the Financial System Mediator cannot be challenged by the Bank.
19. For the purpose of proper study of the client as defined by RA law on "Combating money laundering and terrorism financing", the Bank may require additional documents or information based on "Know Your Client" principle.
20. According to the agreement with the USA based on the Foreign Account Tax Compliance Act (FATCA) the Bank may collect additional information for the purpose of identification of the fact of the client being a US taxpayer.
21. The Client has the right to communicate with the Bank through a preferred means of communication: e-mail or regular post. The electronic means of communication is the most comfortable. It is available 24/7 and is free of the risk of losing information in paper as well as ensures confidentiality.
22. The conditions of providing statements, their copies, references during the validity of the loan agreement can be found at the following link: [Tariffs](#).
23. The list of branches and ATMs of the Bank, information on their locations and working hours can be found at the following link: [Branches and ATMs](#).
24. Remote servicing by the Bank is provided through the IDBanking.am online system. The order and tariffs on rendering remote services are presented in "Public terms on rendering remote banking services".

ATTENTION! THE BANK IS CONTROLLED BY THE RA CENTRAL BANK