Appendix 1
Approved by resolution No 94-L of the
dated March 20, 2025
Applied starting from April 3, 2025

The terms mentioned in the bulletin may have been amended.

If you are looking through this bulletin on the website of the Bank, please pay attention to its effective date..

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Information Bulletin of Mortgage Loans for Acquiring Real Estate

1.	**Main conditions**			
1.1	**Program**	Own resources	National mortgage company	Affordable housing for young families
1.2	***Purpose of the loan***	*Acquisition of under-construction or existing residential real estate*	*Acquisition of under-construction or existing residential real estate*	*Acquisition of existing residential real estate (with 80% and higher percentage of construction completion) for the purpose of permanent residence*
1.3	***Loan currency***	AMD	*AMD*	
1.4	***Minimum loan amount***	5,000,000	5,000,000	
1.5	***Maximum loan amount***	125,000,000	Up to 60,000,000[1]	In case of acquisition of property from the secondary market – up to 22,500,000 In case of acquisition of property from the secondary market – up to 27,750,000
1.6	***Rocket Line[2]***	Up to AMD 10 000 000		

[1] In the case of purchasing energy-efficient real estate, the maximum loan amount is AMD 45,000,000

<table>
<tr><td>1.7</td><td>Credit line[2]</td><td colspan="4">Up to 5% of the mortgage loan, not more than AMD 5 000 000
The credit line can be provided through cards types specified by information summary for VISA travel, Idram Rocket and Credit Lines</td></tr>
<tr><td>1.8</td><td>Minimum loan term</td><td colspan="4">120 months</td></tr>
<tr><td>1.9</td><td>Maximum loan term</td><td>240 months</td><td>240 months</td><td>120 months</td><td>121 - 180 months</td></tr>
<tr><td rowspan="6">1.10</td><td rowspan="6">Nominal annual interest rate</td><td>Fixed interest rate: For the first 36 or the first 6 months</td><td colspan="3">Fixed interest rate: For the whole period</td></tr>
<tr><td>12.25%-14.5%
/according to Table 1/</td><td rowspan="5">13%-16.5%
/according to Table 1</td><td colspan="2">In case of acquisition of property from the secondary market:</td></tr>
<tr><td>Floating interest rate: from 37th months to 240 months or from the 6th month up to 240 months</td><td>7.4%</td><td>8.4%</td></tr>
<tr><td rowspan="3">IBRR[3]+ [2.95%-5.2%]</td><td colspan="2" rowspan="2">In case of acquisition of property from the primary market</td></tr>
<tr><td></td></tr>
<tr><td colspan="2">7.5%</td></tr>
<tr><td>1.11</td><td>Effective annual interest rate[4]</td><td>12.98% - 16.74%</td><td>13.80%-18.10%</td><td>8.25% - 9.10%</td><td>9.25% - 10.1%</td></tr>
</table>

[3] The reference rate of "IDBank" CJSC (IBRR) and its methodology of calculation can be found at the following link: IBRR. For the loans provided under these terms the IBRR can change twice a year, in May and November, moreover, the change enters into force 30 calendar days after its publication. The floating interest rate in terms of each loan can increase or reduce by two percentage point in case of USD, and four percentage points in case of AMD.

[4] 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.

The effective annual interest rate of mortgage loans provided within the scope of IDHome package can be changed depending on the terms of cooperation between the Bank and the developer.

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1.12	*Minimum down payment*	Starting from 0% down payment	**30%** (of the least value between the acquisition value and the estimated market value of the property) in case of pledging the acquired property/right of pledge	In case of acquisition of property from the secondary market – 30%, In case of acquisition of property from the primary market – 20% Of the value of the real estate property being acquired in Yerevan and RA regions.
			10% (of the least value between the acquisition value and the estimated market value of the property) in case of pledging the acquired property/right of pledge and other residential real estate property (second pledge), The down payment must be insured in the amount of the difference between the defined minimum down payment amount and down payment made unless another real estate property is pledged.	In case of acquisition of property from the secondary market – **10%,** and in case of acquisition of property from the primary market – **7.5%** (of the value of the real estate property being acquired in Yerevan and RA regions), in case if: - another residential real estate property is being pledged besides pledging the residential house or apartment being acquired, or - guarantee provided by a legal entity occupying from 1st to 300th place among the list of RA large taxpayers as of the date of submission of the loan application is being provided besides pledging the residential house or apartment being acquired - in addition to the pledge of the residential house or apartment being acquired the client also insures the down payment in the amount of the difference between the defined minimum down payment amount and down payment made.
1.13.	*Security (pledge)**	Real estate property being acquired/right of pledge, if the loan/collateral ratio amounts to up to 90%	Real estate property being acquired in case of a down payment in the amount of 30% and more	**Real estate property acquired:** In case of down payment in the amount of 30% and more in case of acquisition from the secondary market In case of down payment in the amount of 20% and more in case of acquisition from the primary market
		In case if the loan/collateral ration exceeds 90%: 1. Real estate property being acquired/right of pledge 2. Other real estate property	In case of making a down payment in the amount of 10%-29.9% **real estate property being acquired**/right of pledge **and** - **other residential real estate property** or - **insurance of down payment** in the amount of the	In case of 10%-29% down payment for acquisition of property from the secondary market, and 10%-19% down payment for acquisition of property from the primary market – **real estate property being acquired and** - **other residential real estate property**, or - **guarantee** provided by a legal entity occupying from 1st to 300th place among the list of RA large taxpayers - **insurance of down payment** in the amount of the difference between the defined minimum down payment amount and down payment made

<table>
<tr><td></td><td></td><td></td><td>difference between the defined minimum down payment amount and down payment made</td><td></td></tr>
<tr><td>1.14</td><td colspan="4">In the case of loans refinanced by the NMC:
* the maximum cost of real estate acquisition and the estimated market value is AMD 55 million
* If maximum total debt to income ratio (OTI) of the borrower and co-borrower exceeds 45% and/or the loan amount exceeds AMD 35 million, the maximum amount of real estate acquisition value and estimated market value is AMD 90 million.</td></tr>
<tr><td rowspan="2">1.15</td><td rowspan="2">Maximum loan/collateral ratio*</td><td rowspan="2">90%</td><td rowspan="2">70%,
or
up to 90%, if along with the real estate property being acquired/right of pledge another residential real estate property is being pledged or the client implements insurance of the down payment in the amount of the difference between the defined minimum down payment amount and down payment made</td><td>70% if a real estate property being acquired from the secondary market is being pledged
80% if a real estate property being acquired from the primary market is being pledged
90%-99%, within the state assistance program for ensuring housing accessibility for families displaced from certain regions of the Republic of Artsakh</td></tr>
<tr><td>10%
- in case if along with the residential house or apartment being acquired another residential real estate property is being pledged, or
- in case if along with the pledge of residential house or apartment being acquired the client submits the guarantee provided by a legal entity occupying from 1st to 300th place among the list of RA large taxpayers as of the date of submission of the loan application or
- in case if along with the pledge of residential house or apartment being acquired the client implements insurance of the down payment in the amount of the difference between the defined minimum down payment amount and down payment made</td></tr>
<tr><td colspan="5">* In case of purchasing real estate from the primary market, when calculating the maximum loan/collateral ratio, the lowest of the estimated market value (in case of 100% completion of the building construction) and the value of the purchased property is taken as a basis. At the same time, if the loan/collateral ratio is 50%, no income analysis is performed and the maximum amount cannot exceed AMD 50,000,000 (foreign currency equivalent).</td></tr>
<tr><td>1.16</td><td>Loan disbursement method</td><td colspan="3">One-time non-cash through current account</td></tr>
<tr><td>1.17</td><td>Method of loan and interest repayment</td><td colspan="3">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

* in case of change of the annual nominal interest rate during the loan period, the method of repayment of the loan and interest amounts can be changed</td></tr>
<tr><td>1.18</td><td>Loan application review fee</td><td colspan="3">NE</td></tr>
</table>

1.19	*Loan disbursement one-off fee*	NE	
1.20	*Bank account opening*	Bank account is opened both for the borrower and the co-borrower in the loan currency according to the tariffs applied in the Bank.	
1.21	*Fees for pledge registration*	The following expenses are paid by the client: Pledge appraisal fee* Fee for unified reference on restrictions on the subject of pledge Notarization fee for the real estate which is the subject of pledge Fee for registration of the Bank's right arising from the pledge agreement in the competent state body * In case of purchase of residential real estate from the primary market, the pledge assessment fee may be covered by the Bank.	
1.22	*Commission for encashment of loan amount and down payment*	NE	
1.23	*Pledger*	• In case of the purchased real estate– the borrower and/or coborrower, • In case of other real estate (other pledge) – any other physical or legal entity* *Mortgage loans are subject to refinancing by NMC through which the borrowers and co-borrowers who become the owners of real estate are members of the same family	In case of real estate property being acquired and other real estate property – borrower/coborrower
1.24	*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.	
1.25	*Payment Holiday Program activation*	The Payment Holiday program is only valid in case of lending with the own resource of the Bank and allows the client to use the following services: ✓ postpone (skip) the next payment stipulated by the loan repayment schedule once a year, but no more than three times during the term of the loan and/or ✓ extend the loan term up to six 6 months The Payment Holiday Program fee amounts to 0.1% of the remaining principal amount of the loan, at least AMD 30,000. The Program can be activated both at the time of the loan disbursement and during the term of the loan. **The restrictions on the use of the Program include the following:** • The possibility of postponing the next payment can be used by borrowers, whose loan has been serviced by the Bank for at least six months, and in case of extension of the loan term - for at least 12 months. • Borrowers who have concluded the master loan agreement with the Bank can use the possibility of extending the loan term: the extension period shall not exceed the term of the specified agreement. • The program cannot be used in the last month of the loan term stipulated by the loan agreement; • In case of postponement of the next payment, the deferred amount (loan amount + interest + other payments), as well as in case of extension of the loan term, the loan balance and accrued interest and other payments are distributed over the remaining loan term.	

<table>
<tr><td></td><td></td><td colspan="3">• The loan term can be extended only once during the entire term of the loan.
• When activating the program during the term of the loan, borrowers can use the program at least two months after receiving the Bank's offer to join the program, in case of compliance with the requirements specified in this clause.
The requirements for the credit history of the borrowers using the Program are as follows:
• at the time of applying for the program, the borrower must not have outstanding liabilities as well as loan obligations that differ from the standard classification (loan, credit line, overdraft, issued guarantee, etc.), and
• during the 12 months preceding the day of submitting the application for the use of the program, the total number of overdue repayment days for outstanding loan obligations should not exceed 30 days and 15 subsequent overdue days.</td></tr>
<tr><td>2.</td><td colspan="4">Requirements to borrower/coborrower</td></tr>
<tr><td>2.1</td><td>Status of the borrower/coborrower</td><td>RA resident physical entity</td><td>RA citizen physical entity, whose main source of income is in the RA</td><td>RA citizen physical entity or non-RA citizen physical entity whose spouse is a RA citizen,</td></tr>
<tr><td rowspan="2">2.2</td><td rowspan="2">Age restriction</td><td colspan="2">Borrower – physical entity over 21 years old whose age must not exceed 65 years by the loan maturity,</td><td>1) spouse(s) over 21 years old whose aggregate age does not exceed 70 years, or
2) a single parent whose age is between 18–35 at the time of loan disbursement</td></tr>
<tr><td colspan="2">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).</td><td>The borrower's spouse can become a coborrower, and any member of their families (family members are: the spouse, the borrower's and his/her spouse's parents, sisters and brothers) whose age should not exceed 63 years at the moment of loan disbursement.</td></tr>
<tr><td rowspan="3">2.3</td><td rowspan="3">General principle of borrower's/coborrower's creditworthiness assessment</td><td colspan="2"></td><td>Maximum ratio of repayments and net incomes must not exceed 35%</td></tr>
<tr><td colspan="3">Maximum total debt to income ratio (OTI) must not exceed:</td></tr>
<tr><td>Up to 60%*</td><td>Up to 60%</td><td>45%</td></tr>
<tr><td rowspan="2">2.4</td><td rowspan="2">Incomes of the borrower/coborrower</td><td colspan="3">1) Composition of primary incomes – according to Appendix 1</td></tr>
<tr><td colspan="3">2) Composition of secondary incomes – according to Appendix 1</td></tr>
<tr><td>2.5</td><td>Requirements to the</td><td colspan="3">Absence of credit history or</td></tr>
</table>

	borrower's/coborrower's credit history	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
		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
		The client must not be included in the list of unwanted clients of the Bank[5].
	In case of the Affordable Housing for Young Families program the given requirement to the credit history also applies to the borrower's spouse	
2.6	*FINES, PENALTIES*	Penalty for overdue principal amount – 0.12% daily
		Penalty for overdue interest amount – 0.12% daily
		In case of early loan repayment: - 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. 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.
		In case of non-targeted use of the loan the Bank is entitled to demand: 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	*Loan rejection factors*	1. Non-compliance with the conditions of the loan type 2. Adverse credit history of the client 3. Adverse credit history of the person affiliated with the client 4. Insufficient income 5. Insufficient level of creditworthiness 6. Insufficient level of collateral liquidity from the bank's perspective 7. An undesirable client for the bank 8. Provision of false or unreliable information 9. Availability of information casting doubt on loan repayment 10. Lack of a client email address 11. Other reasons

[5] 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

2.8	*Insurance*	Performed by the Bank Presented in Appendix 2
2.9	*Requirements to the subject of pledge*	Presented in Appendix 3
2.10	*Place of acceptance of the application and documents*	All branches of the Bank, www.idbank.am website, Contact Center
2.11	*Loan decision making and notification of the client*	Up to 3 business days after submission of a complete package of documents required by the Bank
2.12	*Loan disbursement term*	Maximum 3 business days after submission of complete package of documents and registration of the right of pledge after the decision has been made
2.13	*Validity of the loan decision*	30 business days The validity period of the decision on the provision of the credit line and the Rocket Line limit provided in parallel with the mortgage loan is set 30 business days, and in other cases, the time period set by the information summaries for credit line and the Rocket Line loan shall apply. Within three months after the expiration of the validity of the approved loan decision, the decision on granting the loan can be reconfirmed without submitting an additional application, if the credit histories and incomes of the borrower (co-borrower) and family members have not undergone significant changes. *If necessary, the Bank may request to update the income supporting documents.
2.14	*Other requirements (applied only within the scope of the Affordable Housing for Young Families program)*	1. The sum of the total monthly net income of the spouses and possible coborrowers must not exceed AMD 800,000
		3. Primary income is important both for the borrower and the coborrower*. *only the spouse of the borrower can be accepted as a co-borrower with zero income
		3. spouses must not be owners of other residential real estate property (residential house or apartment) unless the share of territory per each person registered in the given apartment/residential house is less than 18 sq./m.
		4. the real estate property must be acquired for the purpose of permanent residence
		5. The acquisition price, in case of acquisition from the secondary market, should be less than AMD 25 million, while the estimated market price should not exceed AMD 26 million, and in the case of acquisition from the primary market (directly from the developer) the acquisition price should be less than AMD 30 million, while the estimated market price should not exceed AMD 31 million.
2.15	*Master loan agreement*	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
3.	**Refinancing terms**	
Refinancing of mortgage loan for acquisition renovation of real estate is implemented according to points 1 and 2 of Own resources of these terms and conditions with the exception of the following terms:		

3.1	*Annual nominal interest rate*	Interest rate on refinanced loan – 1 % minimum 12.95%	
3.2	*Maximum loan term*	Remaining term of the refinanced loan - maximum 240 months	
3.3	*Idcoin*	Idcoin covers 1% of the refinancing amount. Idcoin is available until the fifth business day of the month following the loan obtaining date. The quantity of idcoins to be received is determined by deducting the taxes payable under the RA legislation in the event of full use of idcoins. To get idcoins, use the mobile phone number registered with the Bank. Meanwhile, if there is no registered phone number at the Bank or it is incomplete, the chance to acquire idcoin is not available. The guideline for providing and using idcoin is available at the following link:	
3.4	*Consumer loan*	Providing an additional loan of up to 10% of the refinanced mortgage loan amount in accordance with the Rocket Loan Information Bulletin.	
3.5	***Loan application review fee***	NE	
3.6	***Upfront fee***	NE	
3.7	***Pledge related costs***	**The pledge related costs incurred by the Bank for loans amounting to AMD 15,000,000 and more are as follows:** - collateral appraisal fee (no appraisal is required if the given property is already pledged in the Bank and has been appraised within 12 months preceding the submission of the loan application, or 6 months preceding the submission of the loan application in case if the property is pledged in other banks/credit organizations, by appraisal companies cooperating with the Bank), - Fee for the unified reference provided by the state cadaster committee under the RA Government*, - 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* *in case if the fees for the unified reference provided by the state cadaster committee under the RA Government and for registration of the Bank's right arising from the pledge agreement in the competent state body are made through the ARPIS program applied in the Bank, no reference fee shall be charged. In the case of expenses incurred by the Bank, if the borrower repays the loan in full ahead of schedule within 24 months following the rollover, the borrower shall reimburse the expenses incurred by the Bank as mentioned in this provision and the idcoins specified in point 3.3.	
4	**List of documents to be submitted by the client**	**According to Appendix 4, moreover, in case of transfer of rollover of an obligation serviced for 12 months or more, the calculation of income is based on information received from the "Nork" Social Services Technology and Awareness Center (except for cases when this information is not available in the specified center).**	

Note:

Possible expenses to be paid by the borrower (in case of 1 collateral) *:

- *Property appraisal fee in the amount of up to AMD 28,000. 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*

o Agreement on sale-purchase/purchase right and pledge - up to AMD 40,000 each
o Announcement - up to AMD 3,000 each
o Agreement - up to AMD 15,000 each

o Registration of the ownership right - (not accelerated registration) up to 71,000 AMD *Irrespective of the rates of the Bank stated in these terms and conditions, the fees for services rendered by third parties may 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	**Own resources**	**National Mortgage Company**
Loan currency	**AMD**	**AMD**
	120-240	**120-240**
Nominal interest rate of the loan	12.25%	13%
Cases of interest rate changes: • In case the loan was not initially provided at a floating interest rate, the nominal annual interest rate of the loan is increased by 0,5% • In case of not joining the IDsalary and IDsalary+ salary package (at least 80% of the total income of the borrower and/or co-borrower(s), the annual nominal interest rate of the loan is increased by 0.25%. • The annual nominal interest rate of the loan increases by 1%, if the following conditions are not met at the same time: maximum loan/collateral ratio 70%, maximum limit of the OTI ratio 50%, maximum limit of the AI ratio: 40% • The interest rates increase by 0.5% in case of acquisition of the real estate from the secondary market as well as based on the terms of cooperation between the Bank and the developer.		Cases of interest rate changes: • In case of purchasing non-energy efficient real estate, the annual nominal interest rate on the loan increases by 0.5 • In case down payment insurance is provided by the Bank, the annual nominal interest rate on the loan is increased by 0.55%. • In case the maximum ratio of total debt obligations to net income of the borrower and co-borrower (OTI) exceeds 45% and/or the loan amount exceeds AMD 35 million for the purchase of non-energy efficient real estate (the loan amount exceeds AMD 45 million for the purchase of energy-efficient real estate), as well as in case the maximum value of the purchased real estate or the estimated market value exceeds AMD 55 million, the interest rate on the loan increases by 2.5%.

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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	***In case of lending with the own resource of the Bank***	100%
		In case of lending within the scopes of the National Mortgage Company program	
	Income (profit) received as a result of own business activities and grounded by tax reports, except for the following cases: 1. If it operates for less than a year, 2. The turnover (revenue) during the last year was zero for 2 month or longer, 3. There are accounts receivable in terms of taxes, 4. Full information required for business analysis was not submitted.	***In case of lending within the scopes of the Affordable Housing for Young Families program***	60%
1.3	Military pension as well as monthly payments for compensation received from the FUND FOR COMPENSATION OF DAMAGE TO THE LIFE OR HEALTH OF MILITARY PERSONNEL	***In case of lending within the scopes of the Affordable Housing for Young Families program***	100%
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.	***In case of lending within the scopes of the National Mortgage Company program***	Up to 100%

	Income received from rental of real estate property which has been received at least 12 months prior to the loan application acceptance date, in accordance with the rental agreement concluded in the order defined by law.	***In case of lending within the scopes of the Affordable Housing for Young Families program***	60%
	Income received from rental which has been received during at least 3 months preceding the loan application acceptance date, which is grounded by rental agreement(s) concluded in the order defined by law*. *if the fee defined by the rental agreement differs from the actual rental fee, the rental fee estimated by the independent appraisal company shall be counted.	***Only in case of lending within the scopes of the own resource of the Bank***	100%
2.2	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%
2.3	Income received for paid works or rendered services over at least one year grounded by corresponding agreements	***In case of lending with the own resource of the Bank***	Up to 100%
		In case of lending within the scopes of the National Mortgage Company program	50%
		In case of lending within the scopes of the Affordable Housing for Young Families program *	60%
	***** the mentioned types of income shall be considered if the latter have also been submitted to the tax authority.***		
2.4	Received transfers		
	Transfers received over a year preceding the date of loan application given that they have been received for at least 6 times (in this case transfers made over the past 12 months on a monthly basis or once every two months shall be considered as periodic).	***In case of lending with the own resource of the Bank***	50%
		In case of lending within the scopes of the Affordable Housing for Young Families program	60%
	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)	***In case of lending within the scopes of the National Mortgage Company program***	60%
2.5	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)	***In case of lending with the own resource of the Bank***	100%
		In case of lending within the scopes of the National Mortgage Company program and	Up to 100%
2.6	Other income acceptable for the Bank's competent body ***(the mentioned income is not being considered in case of lending within the scopes of the Affordable Housing for Young Families program if they have not been registered with the tax authority)***		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 acquired real estate	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 left before 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 purchased exceeds the loan balance, the property being acquired will be insured in the amount of the loan balance.* *2) The value of the property purchased does not exceed 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 exceeds 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 does not exceed 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.*

Minimal cases covered by the insurance agreement	1. Property insurance which does not cover earthquake damage 1) fire or explosion, 2) hail, flood or heavy rain, 3) storm or strong wind, 4) Heating, water supply or drainage system failure, 5) malicious acts committed by third parties

Appendix 3

Requirements to the subject of pledge		
1	***Subject of pledge***	Real estate property being acquired, right to acquire the real estate property, other residential/public real estate property
2	***Location of the subject of pledge***	RA territory
3	***Appraisal of the subject of pledge***	The subject of pledge must be appraised by one of the specialized organizations cooperating with the Bank
4	***Insurance of the subject of pledge***	according to appendix 2
5	***Other requirements***	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.

Guideline for mortgage loan pre-approval

1. The client may apply to the Bank for mortgage loan pre-approval.

2. The client submits all documents required for providing mortgage loans, except for documents related to the real estate to be purchased (ownership certificate, document of right to purchase real estate under construction, pledge appraisal report, etc.), fills in the required application and provides consent for making enquiries to ACRA.

3. The client manager examines the submitted documents, calculates the amount of the possible loan to be provided to the client or the cost of the real estate to be acquired, which, according to the submitted data, the client will be able to purchase.

4. If the client is satisfied with the proposed option, the client manager executes a request for loan approval in accordance with the requirements of the "Procedure for Issuance of Mortgage Loans to Individuals", except for documents related to pledge, and sends them to the CRMD.

5. In case of a positive decision on lending, if the client submits within 30 working days all required documents that were not submitted earlier about the purchased real estate, the loan may be provided (a second decision is made), provided that the approved loan amount remains unchanged. In case the loan amount differs from the approved amount, the client manager sends the client package for re-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 thought the IDBanking.am online system and և Idram&IDBank mobile application. 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