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Information Bulletin of Mortgage Loans to Non-Resident Individuals for Acquiring Real Estate

1. Main terms and conditions

1.1	Program	Own Resources		
1.2	Loan purpose	Purchase of under-construction or existing residential real estate		
1.3	Loan currency	AMD	USD	EUR
1.4	Minimum loan amount	5,000,000	10,000	10,000
1.5	Maximum loan amount	100,000,000	250,000	250,000
1.6	Minimum loan term	120 months		
1.7	Maximum loan term	240 months		
1.8	Type of the nominal annual interest rate	Fixed interest rate for the first 6 months		
1.9	Nominal annual interest	13% - 14.5 %	8.9% - 10.5 %	7.9% - 9.5 %

	rate	Floating interest rate: from the 6 th to 240 months IBRR ¹ + [3.7%-5.2%]	Floating interest rate: from the 6 th to 240 months IBRR + [5%-6.6%]	Floating interest rate: from the 6 th to 240 months IBRR + [5.9%-7.5%]
1.10	Effective annual interest rate	13.83%-16.80%	9.27% - 11.25%	8.19% - 10.15%
1.11	Minimum down payment *	20 %	30 %	30%
1.12	Maximum loan/collateral ratio**	80 %	70 %	70 %
* The amount of the down payment, in case of pledge of additional property, may be changed				
* 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 instruction) 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).				
1.13	Method of providing the loan	One-time non-cash through current account		
1.14	Loan and interest repayment method	Annuity repayment method – Equal monthly repayments of the 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 repayment method of the loan and interest amounts may vary		
1.15	Remote client identification and loan application processing fee	AMD 25,000 (equivalent in foreign currency)		
1.16	Upfront fee	N/E		
1.17	Bank account opening	A bank account in the loan currency is opened for both the borrower and the co-borrower in line with the Bank's current tariffs for non-residents. An AMD account is also opened if the loan currency is different from AMD.		
1.18	Pledge registration fees	The following expenses are paid by the client: <ul style="list-style-type: none"> • 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 • The charge for registering the Bank's right under the pledge agreement with the authorized state body. * In case of purchase of residential real estate from the primary market, the pledge appraisal fee may be covered by the Bank.		

¹ 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.

1.19	Loan and down payment withdrawal fee	N/E
1.20	Pledger	<ul style="list-style-type: none"> •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*
1.21	Relationship between the borrower/coborrower and the seller of real estate	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 the borrower/coborrower		
2.1	Status of the borrower/coborrower	Non- resident individual
2.2	Age restrictions	<p>Borrower- a physical entity over 21 years old whose age must not exceed 65 years by loan maturity.</p> <p>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).</p>
2.3	General principle of borrower's/coborrower's creditworthiness assessment	Up to 60%
2.4	Income of the borrower/coborrower	1) Composition of primary income – according to Appendix 1
		2) Composition of secondary income – according to Appendix 1
2.5	Requirements to credit history of the borrower/coborrower	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 Bank. ²
2.6	Loan rejection factors	<ol style="list-style-type: none"> 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

² 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.pdf

2.7	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 1 st year of the loan agreement, - 0.4% of early repaid amount for the 2 nd year of the loan agreement, - 0.2% of early repaid amount for the 3 rd year of the loan agreement, - No early repayment penalty is charged after the 3 rd year of the loan agreement. No early repayment penalty is charged for the amount that 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 has the right to demand: 1) early repayment of the full loan amount, 2) penalty in the amount of 25% of the misused loan amount, 3) revision of loan interest rate based on the decision of the competent authority of the Bank.
2.8	Insurance	Performed by the Bank. Further information is presented in Annex 2
2.9	Requirements to the subject of pledge	Further information is presented in Annex 3
2.10	Place of acceptance of the application and documents	All branches of the Bank, idbank.am website, Contact Center
2.11	Loan decision making and notification of the client	Up to five business days after submission of the complete package of documents required by the Bank
2.12	Validity of the loan decision	30 business days If the borrower's (co-borrower's) and family members' credit histories and incomes have not changed significantly within three months of the validity of the approved loan decision, the decision to provide the loan can be reconfirmed without the need to submit an additional application. *If necessary, the Bank may request to update the income supporting documents.
2.13	Master loan agreement	The Bank concludes a master loan agreement with the client for a term of up to 240 months,
2.14	List of documents submitted by the client	In accordance with Annex 4

Note:

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

- o 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](#)
- o Unified reference – up to AMD 10,300
- o Information request – AMD 1,300
- o 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 will be rejected.

Table 1

Source of financing	Own resources		
Loan term	120-240		
Loan currency	AMD	USD	EUR
Nominal interest rate	13 %	8.9 %	7.9 %

Cases of interest rate changes:

- 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 on the secondary market as well as based on the terms of cooperation between the Bank and the developer.

Income composition and maximum weights participating 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 supported by relevant documents* * the business must be registered in the corresponding state body and operate for at least 12 consecutive months	100%
	Income (profit) received as a result of own business activities** and supported 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.	60%
1.3	For persons residing in the United States: 1040,1065,1099msc, 1120, 8879, fw2 documents	Up to 100%
1.4	For residents of other countries – income supporting documents established by the legislation of the respective country.	Up to 100%
2.	Secondary income	
2.1	Income received from rental supported by documents. Moreover, the real estate must have been rented for at least 270 days within the 12 months preceding the loan application acceptance date, which is supported by documents.	Up to 100%

	Income received from the rental of real estate at least 12 months prior to the loan application acceptance date, in accordance with the rental agreement concluded in line with the procedure defined by law.	60%
	Rental income received at least 3 months prior to loan application acceptance date, supported by rental agreement(s) completed in accordance with legal procedures *. *If the fee specified in the rental agreement differs from the actual rental fee, the rental fee determined by the independent appraisal company will be used.	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 employment or delivered services throughout at least one year, based on relevant agreements	100%
2.4	Other income acceptable for the Bank's competent body	Up to 100%

Appendix 2

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 will be insured in the amount of

	<p>the loan balance.</p> <p>2) <i>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.</i></p> <p>2. <i>Before the availability of the ownership certificate of the property being acquired with 100% completeness, the 2nd property shall be insured. Particularly:</i></p> <p>3) <i>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.</i></p> <p>4) <i>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.</i></p>
Minimal cases covered by the insurance agreement	<p>1. Property insurance which does not cover earthquake damage</p> <p>1) fire or explosion,</p> <p>2) hail, flood or heavy rain,</p> <p>3) storm or strong wind,</p> <p>4) Heating, water supply or drainage system failure,</p> <p>5) malicious acts committed by third parties</p>

Appendix 3

Requirements to the subject of pledge		
1	Subject of pledge	Real estate being purchased, the right to acquire the real estate, other residential/public real estate
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	<u>according to appendix 2</u>

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.

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 and via [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