Appendix 2
Approved by resolution No of the
dated September 2 , 2024
Applied starting from September 6, 2024

The terms mentioned in the bulletin may have be amended.
If you are reading the bulletin on the website of the Bank, please pay attention to the effective date of the information bulletin.
If you are reading the bulletin in the premises of the Bank or in a paper form, please visit the Bank's website at www.idbank.am for detailed information (paying attention to the effective date of the information bulletin), apply to any branch of the Bank or contact the Bank's Call Center at (+37410) 59 33 33, (+37460) 27 33 33.

Information bulletin of Renovation Mortgage Loans				
1.	**Main conditions**			
1.1	**Program**	Own resources		National mortgage company[1]
1.2	***Loan purpose***	Renovation of real estate property		Renovation of residential real estate property
1.3	***Loan currency***	AMD	USD[2]	*AMD*
1.4	***Minimum loan amount***	AMD 3,000,000 or equivalent in USD		
1.5	***Maximum loan amount***	AMD 125,000,000	Up to USD 250,000	Up to 35,000,000
1.6	***Rocket line***	Up to 10 000 000 AMD		Other terms and conditions according to the information summary of the Bank's "Rocket Line" loan/credit limit and "Rocket Line" loan consolidation/payment extension
1.7	***Credit line***	In the amount of up to 5% of the loan, not more than 5,000,000 AMD The credit line can be provided through cards types specified by information summary for VISA travel, IDram Rocket and Credit Lines		Other terms and conditions, according to the information summary for "Credit Lines" applicable in the Bank, moreover, when including credit lines and Rocket lines in the calculation of the OTI, the payment of the credit line/Rocket line will be calculated according to

[1] The renovation works must be finished within 12 months after disbursement of the loan/installment.

[2] Loans in USD are provided exclusively/solely to physical entities who are not residents of the Republic of Armenia

				the example of an annuity loan provided for 60 months. In the case of loans provided on account of own resources, the maximum OTI limit is 65% including credit lines/Rocket lines.
1.8	***Minimum loan term***	60 months		
1.9	***Maximum loan term***	120 months	120 months	180 months
1.10	***Nominal annual interest rate***	***Fixed interest rate*** – for the first 36 months, ***Floating interest rate–*** after which up to 120 months	***Fixed interest rate*** – for the first 36 months, ***Floating interest rate–*** after which up to 120 months	**Fixed –** for the whole period
		Fixed - 14%-16% Floating - IBRR [3]+[4.7%-6.7%]	*Fixed* – 10%-13% *Floating - IBRR* [3] + (6.1%- 9.1%)	13.5%-15.5%
1.11	***Effective annual interest rate***[4]	14.90% - 18.94%	10.57% - 15.99%	14.41%-17.93%
1.12	***Security (pledge)***	1) Real estate property being renovated or		Real estate property being renovated
		2) Real estate property being renovated and other real estate property (residential/public)		
1.13	***Maximum loan/collateral ratio****	**70%**	**80%**	**70%**

[3] The reference rate of "IDBank" CJSC (IBRR) and its methodology of calculation can be found at the following link: https://idbank.am/en/others/other/IDBank-reference-rate-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 calculation of the effective interest rate is based also on refinancing terms.

* resource the loan/collateral ratio calculation is based on the estimated market value of the property being renovated. In case of additional collateral, the liquid value of the additional collateral is used as the basis for calculating the loan/collateral ratio.		
1.14	***Loan disbursement method***	○ non-cash through current account ○ one-time or by installments according to the decision of the Bank's competent body
1.15	***Method of loan and interest repayment***	**Annuity repayment method –** Equal monthly repayments of the sum of principal loan amount and interest amount* * 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.
1.16	***Loan application revision fee***	NE
1.17	***One-off loan disbursement fee***	NE
1.18	***Bank account opening/closing***	Opened in the loan currency according to the **tariffs** applied in the Bank. If the loan currency is other than AMD, an account in AMD shall also be opened.
1.19	***Commission for encashment of loan amount and prepayment***	NE
1.20	***Pledger***	the borrower and/or coborrower, or any physical or legal entity in case of other real estate property (other pledge)
1.21	***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. • 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.
2.	**Requirements to the borrower/coborrower**	
2.1	***Status of the borrower/coborrower***	RA citizen physical entity
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***	Maximum total debt repayments to net incomes (OTI) ratio must not exceed
		55% / **45%**
2.4	***Incomes of the borrower/coborrower***	1) Composition of primary incomes – according to **Appendix 1**
		2) Composition of secondary incomes – according to **Appendix 1**
2.5	***Requirements to the borrower's/coborrower's credit history***	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[5].

[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

2.6	***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
2.7	***Fines, Penalties***	Penalty for overdue principal amount – 0.1% daily
		Penalty for overdue interest amount – 0.1% 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.
2.8	***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
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	***Master loan agreement***	The bank signs a Master loan agreement with the client for a period of up to 180 months and up to 100% of the real estate market value.
3.	***Refinancing terms***	
Refinancing of loan for the purpose of real estate property renovation is implemented according to terms described in provisions 1 and 2 of these terms, except for the following terms:		
3.1	***Loan application revision fee***	NE
3.2	***One-time loan disbursement fee***	NE
3.3	**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 case if the costs are incurred by the Bank the borrower shall reimburse to the Bank the costs incurred by the latter mentioned in this provision in case if the borrower completely repays the loan ahead of time within 24 months following the transfer.
4.	**List of documents to be submitted by the client**	**according to Appendix 4**

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***

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.

Appendix 1

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. ****tutoring by physical entities who are not private entrepreneurs is also considered as own business activity**	***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.	***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	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%

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	

Real estate property under construction	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
Minimal cases covered by the insurance agreemen	1. Standard property insurance which does not include earthquake coverage 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 to be renovated, 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 should:
		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.

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. 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.
20. 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.
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 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