



# Micro loans “Jerm Ojakh” (“Warm House”)

Loans for energy efficient renovation of apartments and individual houses

Appendix

Approved by resolution N 350-L of the  
Management Board of “IDBank” CJSC  
as of September 17, 2020  
Applied since October 5 2020

The terms mentioned in the bulletin can have be amended.

If you are looking through the bulletin on the website of the Bank, please pay attention to the action date of the information bulletin.

If you are looking through the bulletin on the territory of the Bank or in a paper form, please visit the Bank’s website at [www.idbank.am](http://www.idbank.am) for detailed information (paying attention at the action 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

MICROCREDIT “JERM OJAKH” [1]		
1.	Loan purpose	Renovation of residential real estate property aimed at increasing energy efficiency, Moreover, at least 40% of the loan means must be directed towards measures and materials/accessories for increasing energy efficiency of the residential real estate property, while up to 20% of the loan amount can be directed towards purchase of energy-saving household appliances.
2.	Loan currency	AMD
3.	Annual interest rate [2]	NMC’s refinancing rate + 5.8%

4.	<b>Actual annual interest rate[3]</b>	13.96-14.50%
5.	<b>Minimum term</b>	60 months
6.	<b>Maximum term</b>	84 months
7.	<b>Minimum amount</b>	AMD 275.000
8.	<b>Maximum amount</b>	AMD 3.000.000
9.	<b>Security</b>	2 guarantee of a physical entity
10.	<b>Requirements for the real estate property to be renovated</b>	<p>1. The real estate property to be renovated can be an apartment in a multi-apartment complex, a house in a rural or community area on the territory of the RA, except for the “Kentron” administrative district of Yerevan city,</p> <p>2. The real estate property to be renovated must be owned by the borrower or his/her family member [4],</p> <p>3. As of the date of acceptance of the loan application the real estate property to be renovated must not be pledged/under seizure, except for cases, when the real estate property is pledged in the Bank.</p>
11.	<b>Loan application revision fee</b>	Not defined
12.	<b>One-time loan disbursement fee</b>	1% of loan amount, not less than AMD 5.000 and not more than AMD 30.000
13.	<b>Loan encashment fee</b>	Not defined
14.	<b>Monthly loan service fee</b>	Not defined
15.	<b>Grace period for repayment of the principal loan amount</b>	6-12 months, With monthly interest repayment
16.	<b>Grant</b>	In case of more than 40% share of the energy-efficient measures in the total investments, the available grant amounts to 5% of the loan amount and is directed towards repayment of the principal loan amount. The energy-efficiency evaluation is implemented online

		<p>with the help of energy-saving calculation tool in order to determine grant eligibility and amount.</p> <p>Following are the preconditions for provision of a grant:</p> <ul style="list-style-type: none"> <li>- All the measures implemented must be at least grounded by payment verification documents.</li> <li>- If the client has also performed renovation of property besides purchase of energy-efficient materials/accessories, it is necessary to provide the initial and final photo and/or video materials of the renovation works.</li> </ul>
17.	<b>Repayment of the principal loan amount and interest amounts</b>	Repayment of interest amounts during the grace period of repayment of the principal loan amount – monthly, repayment of the loan and interest amounts by the end of the grace period – equal monthly payments (annuity).
18.	<b>Loan disbursement method <sup>(5)</sup></b>	One-time, non-cash through the clients' bank account opened with the Bank
19.	<b>Opening/closure of bank account</b>	According to the tariffs applied in the Bank presented at the following link: Information bulletin on tariffs.
<b>Requirements for the borrower/co-borrower/guarantor</b>		
20.	<b>Status of the borrower/co-borrower/guarantor</b>	RA citizen physical entity
21.	<b>Age limit</b>	<ul style="list-style-type: none"> <li>- Borrower/co-borrower – physical entity over 21 years of age whose age must not exceed 65 years by the maturity term of the loan,</li> <li>- Guarantor – physical entity over 21 years of age whose age must not exceed 65 years at the moment of provision of the loan.</li> </ul>
22.	<b>General principles of borrower's/guarantor's creditworthiness assessment</b>	<p>Maximum ratio of total debt payments and net incomes (OTI) must not exceed 45%,</p> <p>Renewable credit lines are included in the OTI calculation in the amount of monthly repayment of the</p>

		<p>loan in an annuity repayment method for a term of 60 months.</p>
23.	<b>Borrower's/Guarantor's incomes</b>	<p>The Borrower and/or the co-borrower must have a primary income.</p> <p>The Guarantor must have a primary and a secondary income.</p> <p>Primary income is the salary or equivalent payments received throughout the main working hours based on the professional skills and abilities of the client which are considered in the amount of 100%.</p> <p>The list of types of secondary income is presented in Appendix 1.1.</p>
24.	<b>Requirements of the credit history of the borrower/guarantor</b>	<ol style="list-style-type: none"> <li>1. Absence of credit history or</li> <li>2. Absence of overdue loan liabilities to the banking system as of the day of submission of the loan application (in terms of loans, credit lines, overdrafts, provided guarantees etc.) and</li> <li>3. not more than a total of 30 days of delay in terms of principal amount and/or interest repayments of loans (credit lines, overdrafts, provided guarantees etc.) within 12 months prior to the day of submission of the loan application</li> <li>4. the borrower/guarantor can have only one active loan at the same time (housing micro loan or energy-efficiency renovation loan) and in the meantime there must be only one active loan for the purpose of renovation of one real estate property (housing micro loan or energy-efficiency renovation loan).</li> </ol>
25.	<b>Fines, penalties</b>	<p>Fine for overdue principal loan amount – 0.1% a day</p>
		<p>Fine for overdue interest amount – 0.1% a day</p>
		<p>In case of non-targeted use of the loan the Bank is entitled to demand:</p> <ol style="list-style-type: none"> <li>1) early repayment of the whole lone amount,</li> </ol>

		<p>2) penalty in the amount of 25% of the improperly used loan amount,</p> <p>3) revision of loan interest rate according to the decision of the competent body of the Bank.</p>
26.	<b>Location of acceptance of the loan application, processing and provision of the loan</b>	All branches of the Bank
<b>Other conditions</b>		
27.	<b>Positive factors for loan provision</b>	<p>1) good credit history</p> <p>2) cash flows</p>
28.	<b>Loan rejection factors</b>	<p>1) bad credit history,</p> <p>2) such information about the client which calls into question the information provided/declared to the Bank by the client,</p> <p>3) such information about the client which calls into question the repayment of the loan,</p> <p>4) insufficient cash flow level,</p> <p>5) absence of email address of the client</p> <p>6) other basis</p>
29.	<b>Maximum decision-making term</b>	Maximum 3 business days after submission of all the required documents to the Bank
30.	<b>Notification deadline for the decision</b>	<p>Maximum 1 business day after decision has been made</p> <p>The Bank can notify the client about the decision made on provision of the loan on the territory of the Bank, by a phone call or by e-mail.</p>
31.	<b>Maximum decision validity term</b>	<p>15 business days</p> <p>Based on the factors stated in paragraph 22 of these condition the Bank is as well entitled to refuse to provide the approved loan during the validity term.</p>
<b>Documents submitted to the Bank by the borrower/guarantor</b>		
32.	Identity document	

	Social card/public services number (PSN)/ID/reference on absence of PSN
	Proof of income
	Ownership certificate of the real estate property to be renovated
	Statement from the State Cadaster Committee under the RA Government on absence of pledge or other time of seizure in terms of the real estate property (consolidated statement)
	email address of the client
	Other required documents

### Appendix 1.1

Types of secondary income		Share
1.	Income from rental received during the 3 months prior to the day of acceptance of the loan application and backed by a rental agreement(s) concluded in an order defined by law.	100%
2.	Pension for long-term service (employees of the Police, Ministry of Defense, Plenipotentiary and other relevant bodies, teachers/professors etc.), survivorship etc. (except for retirement and disability pension)	100%
3.	Income received from investments in state treasury bonds, RA Central Bank securities, other securities for at least one year prior to the day of acceptance of the loan application.	60%
4.	Implementation of paid works and rendering of services for at least one year, which shall be backed by a relevant agreement.	Up to 100%
5.	Transfers received during one year prior to the day of acceptance of the loan application, if those were received at least 4 times, at least once every 90 days, or at least 3 times if having been received through the Bank.	60%
6.	Interest received from funds (deposit) invested in the Bank and/or other financial institutions for at least one year prior to the day of acceptance of the loan application but no later than 3 months prior to the day of acceptance of the loan application.	50%

7.	Other income acceptable for the Bank's relevant competent body.	Up to 100%
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[1] Information bulletin of housing micro loans and energy-efficiency renovation loans provided in the scopes of the "Jerm Ojakh" program at the expense of the funds of "National Mortgage Company" RCO CJSC.

[2] Refinancing rate amounts to 7%. The Bank may revise the loan interest rate linking it to the refinancing rate of "National Mortgage Company" RCO CJSC. Moreover, while changing the mortgage loan interest rate the new rate must be changed in the amount of the difference between the old and the new refinancing rates.

The Bank revises the loan interest rate in case of failure to meet the requirements defined by "National Mortgage Company" RCO CJSC, refusal to refinance the loan or termination of refinancing on behalf of the latter, as well as in the mentioned cases the Bank is entitled to revise the rest of the conditions of the provided loan (term, currency, loan service fee etc.).

[3] 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.

[4] Family members are those defined by RA law on "Banks and Banking".

[5] Renovation works must be finished no later than in 2 months following conclusion of the loan agreement.

## 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 client is entitled to unilaterally terminate the loan agreement without any reason within 7 (seven) business days (time to think) following the conclusion of the latter by returning the received loan amount in full and paying interest accrued in accordance with the actual annual interest rate provided by the agreement.

3. 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.

4. 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.

5. Loan interest amounts shall be calculated based on the effective interest rate. Loan interest amount shall be calculated against actual loan balance.

6. 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.

7. The order of effective annual interest rate calculation is presented at the following link: Guideline on effective annual interest rate calculation.

8. 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.

9. 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.

10. In case of foreign currency loans the changes of foreign currency exchange rates can impact the loan repayments.

11. 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.

12. A bad credit history can prevent a client from receiving loans in the future.

13. 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.

14. 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.

15. 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](mailto:info@fsm.am), telephone – (+37460) 701111, fax –(+37410) 582421. Moreover, if the property claim does not exceed 500 000 (five hundred thousand) AMD or equivalent in foreign currency, the decisions of the Financial System Mediator cannot be challenged by the Bank.

16. 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.

17. 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.

18. 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.

19. The conditions of providing statements, their copies, references during the validity of the loan agreement can be found at the following link: Tariffs.

20. 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.

21. 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**