

The terms of mortgage loan within the program of KFW for housing financing.

1. Credits for acquisition of a flat in an apartment building or a subdivided building or house, which have a fully completed construction).

1.1	Annual interest rate	13.0%, in case of prepayment up to 30%, 12.5%, in case of prepayment from 30% up to 50%, 12.0%, in case of prepayment more than 50%
1.2	Minimum credit repayment period	10 years
1.3	Maximum credit repayment period	15 years
1.4	Minimum prepayment rate (from the value of a flat or a house)	30%
1.5	Maximum rate of Credit to Pledge (apprised market value)	70 %

Credits are not granted if the buyer and vendor are the members of one family (according to the law of RA “On banks and banking”).

2. Credit granting for renovation of a flat in apartment building or a subdivided building or house, which have a fully completed construction).

2.1	Annual interest rate	13.0%, in case of credit/pledge ratio from 30% up to 60%, 12.5%, in case of credit/pledge ratio up to 30%
2.2	Credit term	10 years
2.3	Maximum rate of Credit to Pledge (apprised market value)	60%
2.4	Stages of credit issuing	credits are issued in 3 stages: ➤ first stage-max. 50% from the amount, specified in the budget ➤ third stage- max. 20% from the amount, specified in the budget
2.5	Credit granting in the second and third stages	the ground for credit granting is a purpose use of the loan in the previous stages, according to the budget and the monitoring results.
2.6	Maximum time between stages of credit issuing	40 calendar days

General conditions

Credit currency	Armenian dram
Maximum credit amount	AMD 12.000.000
Borrower/Co-Borrower	credits are granted to the persons who are 21 years old and up
Age limitations of the Borrower (Co-Borrower)	to the end of the credit term the age of the Borrower should not exceed 65 years
Insurance of the Borrower/Co-Borrower	110 % annually of the credit balance till the end of the credit term according to the Tariffs in case of fatal accident or loss of constant capacity for work
Pledged item insurance	from the appraised market value of the real-estate till the end of the credit term according to the Tariffs
Fee for cash withdrawal of credit amount and prepayment	isn't charged
Maximum rate coefficient of general debt payment to net income	45%
Primary income	salary (other payments equated to it), profit from entrepreneurial activity grounded with legal documents
Structure of secondary income and unit weight of their participation in the appraisal of creditworthiness	according to the Table
Positive credit history	<ul style="list-style-type: none"> • Absence of credit history or • absence of overdue obligations towards banking system at the day of application submission and not more then 20 overdue days of credit sum and/or interests of the credit (credit line, overdraft, guarantee) or not more then 4 times of overdue within 12 months preceding the day of application submission.
Repayment of credit sum and interests	equal monthly payments of credit sum and interests (annuity)
Fee for credit service	20'000 AMD at a time
Penalty in case of premature repayment of the credit	1% of penalty from the above mentioned payment is paid in case of credit repayment or the part of it prematurely within 3 years from the signing of credit agreement if the payment sum twice exceeds the sum, stated in the agreement for the given stage (not including the sum, stated in the agreement).
Interests for overdue credit	2.5 times over the Central bank banking interest rate acting at the moment of signing the credit Agreement.
Penalty for overdue interests	0.3 % daily
Penalty for not registration of additional pledge (or not providing other security for the agreement fulfillment) or for not paying off the pledge prematurely in case of value decrease of the pledged property (or in case of appearance of such dangers)	5% from the credit balance
Pledge requirements	according to Appendix
Time of decision making	positive or negative decision on issuing the credit is made within 15 banking days from the day of applying all the necessary documents.
Type of credit issuing	non-cash

Place of credit registration

branches of the Bank within the territory of RA

In case of not financing or suspension of financing from KFW.

Annual interest rate

acting interest rate + 2%

* refinance rate at the moment is 8.75 % annually

Table

income type*	weight
From the lease of the Real-estate, if there is an Agreement signed more then 12 months ago	100%
Income from the entrepreneurial activity within 12 months from the day of application submission by the Borrower (Co-Borrower) grounded with legal documents	100%
Income from the entrepreneurial activity within 12 months from the day of application submission by the Borrower (Co-Borrower) not grounded with legal documents, but grounded with internal documents.	up to 60%
From the lease of real-estate of the Borrower (Co-Borrower) if no lease agreement exists	
Interests from the money means (deposits) invested by the Borrower (Co-Borrower) in Bank at least 3 months ago.	
Income from investments in State treasury bonds or securities of CB of RA by the Borrower (Co-Borrower)	
Income from investments in other securities of CB of RA by the Borrower (Co-Borrower)	
Periodical (at least within 12 months) income from the work done or service rendered By the Borrower (Co-Borrower)	
Money assistance (transfers)(certified by the documents) to the Borrower (Co-Borrower) in a monthly average amount received from abroad within 12 months.	
Aliments to the Borrower (Co-Borrower)	

Appendix

1. real-estate should have stone, panel or ferroconcrete structure (in exception of partition or floor),
 2. real-estate should be equipped with all necessary communal facilities (water, energy, sewage system),
 3. real-estate should not be a communal flat or be within the territory of other building: hostel or hotel,
 4. all self-willed buildings should be on the books and be drawn in the certificate of property,
 5. real-estate shouldn't be of breakdown rate of 3rd stage,
 6. according to the property certificate, real-estate should have at least 80% of completion,
 7. ground area of the real-estate should be a property, as well as cadastre value of the land should be paid off,
 8. if the real-estate is a cottage, it is pledged by its full value.
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