



Management Board Decision no. 01/042-246 L dated 11 June, 2024

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INFORMATION BULLETIN

Effective since
14.06.2024


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MORTGAGE LOAN: Terms of Real Estate Acquisition Mortgage Loans as Part of the Programme Proposing Affordable Apartments to Public Servants Arno Babajanyan 42/5 Project

Loan currency	AMD
Place of acceptance of application and documents	All the branches of the Bank and the Head Office
Loan financing source	ARDSHINBANK CJSC
Loan purpose	Acquisition by <i>ML Mining</i> LLC of apartments and parking lots (hereinafter real estate when referred to jointly or severally) under development in residential blocks at the address 42/5 Arno Babajanyan, Yerevan, Armenia
Minimum loan amount	Not defined
Maximum loan amount	1. For an apartment being acquired - AMD 150,000,000 (no more than 90% of the value of the apartment being acquired) 2. For a parking lot – AMD 2,800,000
Annual interest rate fixed/fixed (variable) *	1. 13% in case of up to AMD 35,0 million (including) 2. 13.6% in case of AMD 35.1 and above
Annual interest rate floating**	1. SR+2% for up to AMD 35,0 million (including) 2. SR+2.5% in case of AMD 35,1 and above
Actual annual interest rate	12.1% - 14.5%
Minimum timeframe	10 years
Maximum timeframe	20 years
Loan and interest sum redemptions	Monthly annuity payments
Minimum prepayment from apartment purchase value	10%
Minimum prepayment from parking lot value	20%
Loan application review fee	Not defined
Lump sum fee for loan issuance ⁴	Not defined
Monthly loan maintenance fee	Not defined
Other fees for property formalization	1. The Borrower shall pay for: 1) Purchase right; 2) notarial authentication of collateral agreements;



	3) After the end of development activities: - the borrower's ownership, and - state cadastral registration of the Bank's rights to pledge.
Opening of a bank account	Subject to the tariffs and terms applicable in the Bank for the opening and maintenance of bank accounts
Issuance of statements	Free: account statement for up to 1 month; Free: minimum four times per annum for a period of time requested by the Borrower AMD 1,000-5,000 for statements and references for other time periods (See https://www.ardshinbank.am/content/բանկային-հաշիվ/):
Insurance	not required
Maximum Loan/Pledge ratio	1. 90% of the value of the apartment being purchased 2. 80 % of the parking lot purchase value
Calculation of maximum Loan/Pledge ratio Calculation of Real Estate value	Value in the proposal to the Borrower/Beneficiary, issued by the Urban Development Committee, for concluding an agreement on the purchase of an apartment and a parking lot (irrevocable offer)
Loan issuance procedure applying to apartment purchase	Lump sum
	In Installments: in 2 phases Phase 1: Maximum 70 per cent of the benchmark price of the apartment being purchased Phase 2: 20 per cent of the benchmark price of the apartment being purchased
Loan issuance procedure applying to a parking lot	Lump sum
Loan issuance procedure	non-cash, i.e. – via transfer to the bank account
REQUIREMENTS TO THE BORROWER	
Borrower's status	An individual indicated in the offer for concluding an agreement on the acquisition of the right to purchase real estate (a beneficiary or a family member thereof) as part of the programme proposing apartments to public servants provided the age limit does not exceed 65 (up to 66) until the timeline for full loan redemption
Requirements for the Co-Borrower	<p>2. Relatives of the Borrower, aged 18 and above (individuals willing to participate in financing the apartment purchase, including through a mortgage loan, shall be deemed a relative) may be co-borrowers</p> <p>3. The age of at least one of the co-borrowers at the time of granting the loan should not exceed 60 years (before turning 61).</p> <p>4. The requirement does not apply if the co-borrower does not participate in the approval of the loan with his income and obligations.</p> <p>1.</p>

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General principle for evaluating the customer's credit-worthiness	The maximum ratio of general debt payoffs and maximum net revenues shall not exceed 60
Other requirements for the Borrower and Co-Borrower	Available mobile phone number and email address

TERMS AND REQUIREMENTS FOR THE COLLATERAL

Security	Pledge of the Beneficiary's rights to the seller-state (including the right to the claim for prepayments to the state) under the Agreement on the Right to Purchase, pledge of real estate after state registration of the right to the ownership of real estate,
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PENALTIES, FINES

In the event of the Borrower's failure to discharge liabilities	24% per annum for an overdue loan
Penalty for an overdue interest sum	48% per annum
Penalty for early loan redemption	Not defined

DECISION-MAKING TIMEFRAMES, FACTORS

Decision-making timeframe	4-7 days
Decision-making notification timeframe	1 day
Issuance timeframe	<ol style="list-style-type: none"> 1. In the event of lump sum issuance, the loan shall be issued no later than on the 7th business day of concluding the real estate purchase agreement (provided the purchase and pledge certificates are submitted to the Bank) 2. In case of issuance in installments: <ul style="list-style-type: none"> Phase 1: no later than on the 7th day of the conclusion of the real estate purchase agreement (provided the purchase and pledge certificates are submitted to the Bank) Phase 2: no later than on the 15th day of receiving the Bank's notice on the completed building's state registration from the Urban Development Committee
Positive decision factors	compliance of the crediting terms and submission of the required documents
Credit rejection factors	Borrower's/Co-Borrower's negative crediting history, incomplete document submission, evaluation of the Customer's credit worthiness as insufficient

Loans shall be issued by way of the implementation of Bank-approved model agreements. For the acquisition of a parking lot, and a parking lot in case of pledging, separate loan and pledge agreements shall be signed. A collateral agreement (agreements) shall be authenticated by a notary public. The pledge to the right to the purchase of an apartment (parking lot), the rights to ownership and the Bank's right to pledge after the completion of development activities are subject to state registration by the customer and submission to the Bank.

The Borrower shall, within 60 days of drafting the development completion act, submit to the Bank the development and pledge certificates of the 100% complete real estate. In the event of the non-submission of the development and pledge certificates of the 100% complete real estate, the loan terms shall be reviewed within a 10-day period following the 60 calendar days and the interest rate prescribed by the agreement shall be raised by 3% (except for the cases prescribed by the Bank's internal regulations).

The loan aimed at the acquisition of a parking lot (purchase of a parking lot) shall be issued only in case of the simultaneous acquisition of an apartment (right to the purchase of an apartment) as part of the given agreement.



*The interest rates of loans issued at a fixed (verifiable) interest rate shall be revised starting from the 37th months of the effective term of the loan agreement in case of a change in the settlement rate (SR). The interest rate of a loan may not increase or decrease by more than 2.5 interest point against the interest rate set upon the issuance of the loan during the effective term of the loan agreement.

The value of the loan Settlement Rate (SR) equals the SR value applicable at the Bank upon decision-making on the loan issue.

**The Settlement Rate (SR) shall be published on the Bank's website (www.ardshinbank.am) on the 1st day of February every year. The interest rates with respect to the concluded agreement shall be reviewed one month after the change in the SR (unless the notice provides for a later date) in case of a change in the Settlement Rate. Interest rates shall vary, i.e. – increase or decrease, commensurately with the change in the SR.

The loan interest rate may not increase or decrease by more than 2.5 interest point upon the issuance of the loan during the effective term of the loan agreement.

SETTLEMENT RATE TABLE

<i>Time period</i>	<i>AMD</i>	<i>USD</i>
Effective	9.5%	4.0%
01.02.2024-31.07.2024	9.5%	4.0%
01.08.2023-31.01.2024	9.5%	4.0%
01.02.2023-31.07.2023	9.5%	4.0%
08.08.2022-31.01.2023	9.5%	4.0%
01.02.2022-07.08.2022	8.5%	4.0%
03.08.2021-31.01.2022	7%	4.5%
01.02.2021-02.08.2021	6.0%	4.0%

³After putting into service the real estate under development, and submitting to the Bank the Buyer's certificate of property ownership and the Bank's pledge certificate pertaining thereto (completion: 100%), the real estate being acquired shall serve as a collateral.

In the event of a positive balance between the unit price (based on the registered apartment surface) and the benchmark unit price after the completion of the apartment and the parking lot (until the signing of a transfer act), the Borrower-Beneficiary may, for the purpose of paying the extra charge (balance between the apartment price and the benchmark apartment price), be issued a loan subject to the terms herein. The property unit price indicated in the reference, submitted to the Bank by the Urban Development Committee of the Republic of Armenia for the corresponding property, shall serve as a basis for calculating the extra charge amount.


IMPORTANT NOTE

THE BORROWER SHALL BE ENTITLED TO DISCHARGE (REDEEM), IN FULL OR IN PART, THE LIABILITIES UNDER THE AGREEMENT AHEAD OF SCHEDULE, IN WHICH CASE THE PRINCIPAL SUM OF THE CREDIT SHALL BE REDUCED IN THE AMOUNT OF THE SUM BEING PAID; THE TOTAL EXPENSES FOR CREDITING THE BORROWER SHALL BE REDUCED PROPORTIONATELY. IN THAT CASE, THE INTEREST SUM ACCRUED TO THE BALANCE OF THE PRINCIPAL AMOUNT OF THE LOAN AND THE MAINTENANCE FEE ACCRUED TO THE BALANCE OF THE PRINCIPAL AMOUNT OF THE LOAN SHALL BE SUBJECT TO REDUCTION FROM THE TOTAL CREDIT COSTS. MEANTIME IN THE EVENT OF EXERCISING ITS RIGHT HEREUNDER, THE BANK MAY NOT APPLY RESPONSIBILITY MEASURES.

In the event of the non-performance or improper performance of his/her liabilities under the Loan Agreement, the Borrower may be stripped of his/her right to the property being acquired/pledged.

In the event of a failure to fully redeem the credit liabilities, the full redemption shall be made at the expense of other means and property units pertaining to the borrower and the pledgers.

In the event of overdue liabilities, the redemption shall be made in the following sequence: expenditures made by the Bank

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with respect to the confiscation of the property pledged in a prescribed manner and other debtor's liabilities to the Bank on the part of the Borrower and/or the Co-Borrower (generated as part of loan agreements), forfeit penalty settled for (accrued to) the overdue liability, interest sum settled for (accrued to) the overdue Loan, settled (accrued) yet unpaid overdue interest sum, overdue Credit, Credit maintenance fee, fixed-term interest sum settled (accrued) for the use of the Credit, and the amount of the Credit.

The sequence of monetary liabilities may change at the Bank's discretion without notice to the Borrower/Co-Borrower.

The Bank undertakes to provide the the Customer with the contract proposal seven days in advance and grant a seven-day reflection period.

The Bank's MOBILE BANKING application enables features such as money transfers, loan redemptions, viewing of account balances and transactions, payments and numerous other transactions that can be accessed via the link below:

<https://www.ardshinbank.am/content/մոբայլ-բանկինգ>

ATTENTION:

The loan interest rates shall be settled based on the nominal interest rate. And the actual annual interest rate shall reveal the credit value for the specific customer in case of paying the established fees within prescribed timeframes and in established amounts. You can get familiarized with the procedure of settling the actual annual interest rate by visiting the Bank's website at www.ardshinbank.am.

The list of assessing organizations is available [here](#)

ATTENTION

YOUR PROPERTY MAY BE CONFISCATED IN A MANNER PRESCRIBED BY LAW IN THE EVENT OF YOUR FAILURE TO MAKE A TIMELY REDEMPTION OF THE INTEREST SUM AND THE CREDIT.

IN THE EVENT OF YOUR NON-PERFORMANCE OR IMPROPER PERFORMANCE OF THE LIABILITY, THE CREDITOR SHALL, AFTER 3 BUSINESS DAYS, SEND THE DATA TO A CREDIT BUREAU TO HAVE YOUR CREDIT HISTORY GENERATED. YOU ARE ENTITLED TO ANNUALLY GET A FREE COPY OF YOUR CREDIT HISTORY.

A POOR CREDIT HISTORY MAY BE A HINDRANCE TO YOUR FUTURE CHANCES OF RECEIVING A LOAN.

FINANCIAL INSTITUTIONS IN THE REPUBLIC OF ARMENIA ARE CONTROLLED BY THE CENTRAL BANK OF ARMENIA.