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Terms and conditions specified in the Guide may be outdated. For more details, please contact
ameriabank.am | 010 561111

Information Guide

Consumer loan secured by property

Consumer loans are used to cover consumer expenditures of an individual or a family Consumer loan is issued to citizens and non-citizens of Armenia who are resident in Armenia

Loan type	Consumer loans secured by assets (including paper gold and cash)		
Who may apply	Citizens and non-citizens of Armenia who are resident in Armenia and are aged 18-65		
Loan purpose	Personal/family/consumer expenses		
Currency	AMD		
Manner of disbursement	Non-cash		
Loan amount	AMD 3 million* - AMD 50 million *A minimum threshold of AMD 300,000 is applied in case of loans secured by pledge of deposits, gold and metal accounts.		
Loan term	36-120 months		
Repayment	Annuity (equal payments), Differentiated (non-equal payments) (+0.5%), Mixed (+0.5%)		
Annual interest rate	36 months	16.5%	Fixed
	37-60 months	17.5%	· Fixed · Adjustable (rate can be changed starting from the 13th month)
	61-120 (only for loans secured by real estate)	Fixed component 7.0% + variable component (base rate)	Adjustable (rate can be changed starting from the 37th month)
	Attention! <i>The adjustable nominal interest rate may be revised no more than twice a year. Furthermore, depending on the change of the adjustable nominal interest rate, the threshold above or below which the nominal rate cannot change is ±4%.</i>		

Annual percentage rate (APR)	17.42-22.51 %
Loan disbursement lump-sum fee	0.5% of loan amount or AMD 50,000, whichever is greater Not applicable to loans secured by cash, bonds issued by Ameriabank or metal accounts
Frequency of payments	Monthly
Guarantee	Guarantors' documented income should comprise at least 50% of the borrower's income, and their credit history should meet the criteria set by the Bank.
Late payment fines and penalties	The interest rate specified in the loan agreement will continue to be applied to overdue loans. Fine in the amount of 0.13 % of overdue loan/interest for each day of delay
Loan formalization venue	Bank
Eligible collateral	Real estate, vehicles, plant and equipment to the reasonable satisfaction of the bank, metal accounts in gold, cash and bonds issued by Ameriabank
Maximum LTV ratio (if the loan is secured by real estate, vehicles or plant and equipment, calculation is based on their liquidation value)	The value of the loan security will be included in the estimation of the LTV ratio in an amount not more than: 1. Real estate: 70% if in Yerevan, 60% if outside Yerevan 2. Vehicles: 60% 3. Property and equipment: 40%, but not more than 30% of the value of the aggregate pledge 4. For metal accounts in gold with Ameriabank: 80% 5. Cash collateral/bonds issued by Ameriabank: -90% if currency of the collateral is the same as of the loan -70% if currencies of the collateral and the loan are different
Property appraisal	Pledged assets to be appraised by an appraising partner of the bank.
Additional security	The Bank may request guarantee of individuals and/or companies as additional security.
Insurance of property	The insurance of real estate, vehicles and plant and equipment is maintained throughout the loan term: 1. If obtained by client: to the extent of at least outstanding principal 2. If obtained by the bank: to the extent of outstanding principal
Other fees payable by client	Fee for unified statement from the State Committee of Real Estate Cadaster under the Government of the Republic of Armenia Fee for pledge notarization and registration of the bank's security interest with state authorities Fee for statement, issued by the Police, on the encumbrance of the vehicle
Early repayment	If your loan exceeds AMD 15 million and you repay it fully or partially during the first three years of the term you will be required to pay a fine in the amount of 5% of the early repaid amount (not applicable to loans secured by cash/bonds).

Other terms related to the interest rate

- Where insurance of the collateral is obtained by the Bank at the wish of the client, the rate of interest is increased by the following premium set by the Bank:
 - 2.5% if the pledge is vehicle, or
 - 0.5% if the pledge is plant and equipment.
- Where the insurance of real estate is obtained by the client, the interest rate is reduced by 0.05%, based on the share of each type of assets in the total collateral.
- If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.
- If the collateral related ratios (loan-to-value ratio) differ from those approved by the internal regulations of the Bank, the applicable interest rate is increased by 0.25%.
- In case of other deviations, the interest rate may be increased by 0.25%.
- If the loan is secured by cash or bonds issued by Ameriabank, the interest rate is equal to:
 - Interest rate of the deposit/bond + 4%, but in any case not more than the rates specified above, if the loan and the collateral are in the same currency
 - Rates specified above, if the loan and the collateral are in different currencies
- Where the client chooses a repayment option without early repayment fee for loans exceeding 15 million AMD, the interest rate is increased by 2% (not applicable to loans secured by cash/bonds).

Location of real estate to be pledged: Yerevan, regional centers of Armenia, towns where Ameriabank has branches, as well as Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Jermuk, Masis, Yeghvard towns and Kasakh village.

The age of vehicles is max 12 years for foreign brand vehicles other than vehicles made in Russia, China and Iran, in which case max age is 8 years

Appraisal of Collateral

The property to be pledged should be appraised by an appraisal company cooperating with the bank. The company is selected by the client from the offered list. Appraisal fee: AMD 13,000-30,000 depending on the property. On a case-by-case basis, the fee for appraisal of major items of property may be negotiable. The list of appraisal companies cooperating with the Bank is presented below.

The client will pay for the following services:

- Notary fee: AMD 14,000-16,000 lump sum (in case of vehicles)
- Notary fee: AMD 13,000-18,000 lump sum (in case of real estate)
- Fee for unified statement from the State Real Estate Cadaster on encumbrance of property: AMD 10,000

- Security interest filing fee: AMD 26,000
- Fee of the Police of the Republic of Armenia (for lien and pledge of movable property): AMD 5,000 lump sum

Insurance Companies Cooperating with Ameriabank

Insurance Company	Address	Phone:
Nairi Insurance ILLC	10 V. Sargsyan St., off. 110 (Piazza Grande Business Center), Yerevan	(+37460) 500060
ROSGOSSTRAKH-ARMENIA ICJSC	1 Northern Ave., Yerevan 1	(+37410) 591010
Ingo Armenia CJSC	51, 53 Hanrapetutyuan St., area 47, 48, 50, Yerevan	(+37410) 592121
Reso ICJSC	62 Komitas Ave., area 93-93/1, Yerevan	(+37460) 275757

Insurance fee is as follows:

- For real estate: 0.15-0.2 percent of the loan amount,
- For equipment: 0.2-0.35 percent of the loan amount,
- For working assets: 0.3-0.5 percent of the loan amount,
- For vehicles: starting from 2.5 percent of the loan amount.

These fees and rates may change depending on the market situation.

Appraisal Companies Cooperating with Ameriabank

Appraisal Company	Address	Phone:
VM-RP LLC	8 Vardanants deadlock, #3, Yerevan	+374 10 588797 +374 43 588797 +374 99 588797
Amintas Group LLC	23/6 Artsakh Ave., off. 50 (close to Toon Depot), Yerevan	+374 10 432276 +374 94 432276 +374 96 432276
Cost Consult LLC	1 Buzand St., Yerevan	+374 77 471925 +374 91 471925
Believe LLC	9-14 Mashtots Ave., Yerevan	+374 94 221111
Finlaw LLC	50 Nalbandyan St., apt. 3, Yerevan	+374 10 506000 +374 60 747400 +374 91 911155 +374 77 780510
For Smart Consult LLC	30/3/128 Gyulbenkyan St., Yerevan	+374 11 277667 +374 91 177667 +374 98 177667 +374 41 177667
Inex LLC	45/403 Orbeli Yeghbayrner St., Yerevan	+374 77 518116 +374 77 518115 +374 41 042287

Required documents

Required documents filed together with the loan application	<ul style="list-style-type: none"> • Loan application • ID (original) • Certificate of ownership of property to be purchased/pledged (copy)
Documents required after initial approval	<ul style="list-style-type: none"> • Proof of employment and/or other income • Marriage (divorce, spouse death), birth certificate (original) • Certificates of registration and ownership certificates of vehicles to be pledged (original) • Certificate of title to real estate to be pledged (original) • Geodetic measurement report of land plot to be pledged** • Initial report on appraisal of real estate/vehicle • Other documents as the bank's specialist may request
Documents required after loan approval	<ul style="list-style-type: none"> • Copies of bases of title to real estate (to be submitted upon request) • IDs of owners of property to be purchased/pledged (originals) • Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged • Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement) • Statement, issued by the Police, on encumbrance of vehicle • Real estate appraisal report (final) • Real estate/vehicle insurance policy • Other documents as the bank's specialist may request

**Geodetic measurement is required for any land other than fenced plots or grounds attached to house, if:

- Client has applied for a loan above AMD 50 million, and
- Share of credit limit to be secured by such land plot exceeds 30% of total available credit limit. For the purposes of this document total available credit limit means the sum of all loan proceeds made available to client by decision of the bank's authorized body within acceptable LTV ratio and subject to disbursement at the given moment.

Loan service fee

Purpose	AMD
Modification of the loan terms	15,000
Change of the loan repayment date	5,000
Substitution of pledged property (for real estate; including change of the property owner)	10,000
Substitution of pledged property (for vehicles; including change of the owner of the pledged vehicles)	5,000
Provision of pledge-related consents, permissions and references	5,000

The fee is charged if the modification is requested by the client. Where there are several applicable fees for the same modification, the highest fee is charged and only once. Fees are not applicable in case of loans secured by cash, bonds and metal accounts. If the modification implies adding new collateral or involving a new guarantor, no fee is charged.

Information for the Guarantor

Before execution of the agreement the creditor provides to the borrower an Individual Leaflet.

If the Borrower fails to meet his/her loan obligations in a proper manner, the guarantor will take on responsibility of the debt and will have to repay the outstanding loan.

The guarantor is entitled to receive reimbursement from the borrower for the repaid debt, i.e. the guarantor may request the borrower to reimburse the amount paid to the lender, the interest and other expenses incurred as a result of taking responsibility instead of the borrower.

The lender must warn the guarantor in advance about pending loan repayment, i.e., if the borrower fails to meet his/her obligations in due manner, the guarantor is required to repay the outstanding debt within the period defined in the guarantee agreement after getting the respective notice from the lender.

The guarantor's name may appear in the BAD BORROWER LIST, i.e., if the borrower doesn't repay his/her obligations, the guarantor's name may be reported to the Credit Bureau, where the credit history is originated. This may affect the guarantor's future loan applications.

Statements

We will provide to you the statements of your credit accounts through communication channels and at frequency agreed between you and us and/or in accordance with the Armenian laws and regulations. The statements are provided by post, email, Internet-Bank or in person at any branch of the Bank.

Provision of statements, information and copies of documents	Rates & Fees
Provision of up to 1 year-old account statements, copies of account statements or other documents kept in electronic form	Free

Provision of more than 1 year-old account statements or copies of account statements or provision of other documents kept in electronic form	AMD 5,000 per annual statement per account, VAT included
Delivery of any statement to the client by email without stamp	Free
Provision of references	Rates & Fees
To holders of 3+ months old accounts	AMD 3,000, VAT included
To holders of less than 3 months old accounts	AMD 5,000, VAT included
If ordered via Internet/Mobile Banking or Ameriabank website	AMD 1,000, VAT included

Attention!

WHEN YOU APPLY FOR A LOAN, WE WILL PROVIDE YOU AN INDIVIDUAL LEAFLET DETAILING ALL ESSENTIAL TERMS OF YOUR CONSUMER LOAN.

Attention!

THE LOAN INTEREST RATE MAY NOT EXCEED THE DOUBLE OF THE BANK RATE DECLARED BY THE CENTRAL BANK OF ARMENIA.

Attention!

THE COLLATERAL MAY BE ENFORCED (FORECLOSED ON) IF THE BORROWER FAILS TO REPAY THE LOAN AND INTEREST WHEN DUE. SHOULD THE VALUE OF THE COLLATERAL BE INSUFFICIENT, THE BORROWER'S OBLIGATIONS WILL BE REPAID AT THE EXPENSE OF OTHER PROPERTY OWNED BY THE BORROWER.

Attention!

LOAN INTEREST IS CALCULATED AT THE NOMINAL INTEREST RATE. THE LATTER SHOWS THE ANNUAL INTEREST ACCRUED AS PERCENTAGE OF THE OUTSTANDING LOAN. THE LOAN INTEREST IS ACCRUED ON THE OUTSTANDING LOAN PRINCIPAL IN THE LOAN CURRENCY DAILY, BASED ON A 365-DAY CALENDAR YEAR.

Attention!

ANNUAL PERCENTAGE RATE SHOWS THE COST OF LOAN IN CASE OF PROPER AND TIMELY PERFORMANCE OF ALL CONTRACTUAL OBLIGATIONS.

The amount of interest is calculated based on the annual nominal rate and loan payment option.

The loan may be repaid in the following manner:

In case of differentiated repayment scheme (equal portions of principal each month) the client repays equal portions of loan principal, but the amount of interest is different each month. This being the case, the amount of total monthly payment decreases each month.

Annuity (equal payments). In this case the client makes equal payments (consisting of portion of the loan principal and some interest) each month throughout the loan term.

Mixed. The client has an opportunity to select individual repayment plan matching his/her preferences, based on the seasonality of the client's financial flows, provided that the principal amount being repaid each year is equal to at least 5% of the contractual loan amount in case of loans for purchase, renovation and construction of residential and commercial real estate, as well as investment loans.

If you choose the 2nd method to repay the loan, the total amount of payable interest will be higher than in the 1st case.

The 2nd method, however, allows you planning your expenses, because you know the exact amount you're

going to pay each month, and the amounts payable during the first months are overall smaller.

Interest Accrual

In case of differentiated repayment method, the amount of monthly loan payment is calculated according to the following formula:

$R = p / t + p * r \% / 365 * d$, where

R – monthly repayment of the loan,
p – amount of loan principal,
t – loan term (in months),
r – annual interest rate of the loan,
d – number of days in a month.

In case of annuity, the amount of monthly payment is calculated according to the following formula:

$R = P * r / (1 - 1/(1+r)^n)$, where

R – monthly repayment for the loan

P – loan principal

n – total number of payments during the whole term of loan (number of months)

r – monthly interest rate, which is equal to 1/12 of the annual interest rate under the loan agreement at the time of provision of the loan

The amount of monthly payments is rounded to one decimal place.

The outstanding loan is calculated according to the following formula:

$P_t = R * ((1 - 1/(1+r)^t) / r)$, where

P_t – actual Loan outstanding by the end of the period

R – monthly repayment for the loan

t – number of repayments due before the end of the loan term (number of months)

r – monthly interest rate, which is equal to 1/12 of the annual interest rate under the loan agreement at the time of provision of the loan

APR is calculated by the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{(1+i)^{\frac{D_n}{365}}}$$

where

i – annual percentage rate (APR).

A – the amount of the credit (initial amount provided by the lender to the borrower)

n – sequence number of payment

N – sequence number of the last payment

K_n – amount of the nth payment

D_n – period between the day of provision of loan and the day of the nth payment, expressed in days

i – annual percentage rate, calculable if other input data are known from loan agreement or otherwise

APR Calculation Example

Loan product: consumer loan secured by property

Amount: AMD 15,000,000

Fixed interest rate: 17%

Term: 60 months

Repayment method: annuity (equal installments consisting of a portion of loan and some interest)

Lump sum disbursement fee: AMD 75,000

Insurance fee: 0.16% of the outstanding loan principal each year

Real estate appraisal fee: AMD 15,000

Fee for the unified statement on real estate encumbrance: AMD 10,300

Pledge agreement notarization fee: AMD 13,000

Security interest filing fee: AMD 26,000

Loan disbursement day: September 16, 2014

First payment day: October 11, 2014

Annual percentage rate (APR): 19.14 %

The annual percentage rate is calculated on the basis of the underlying components, is indicative and can change during the Agreement term due to early repayment of loan by the borrower or change of the components included in its calculation.

Interest Calculation Example

Initial loan principal: AMD 1,000,000

Annual interest rate: 20%

Term: 36 months

Daily interest will make: $1,000,000 * 20 / 100 / 365 = 548$ AMD

The amount of monthly payments in case of annuity: AMD 37,163.6.

Attention!

IF YOU FAIL TO PERFORM YOUR PAYMENT OBLIGATIONS WHEN DUE OR DO NOT PERFORM THEM PROPERLY, OVERDUE AMOUNTS SHALL BEAR FINES AND PENALTIES AS DEFINED BY AGREEMENT, AND THE INFORMATION ABOUT YOUR OVERDUE LIABILITIES WILL BE REPORTED TO CREDIT BUREAU WITHIN 3 BUSINESS DAYS.

Attention!

YOU HAVE THE RIGHT TO OBTAIN YOUR CREDIT HISTORY FROM THE CREDIT BUREAU ONCE A YEAR, AT NO COST.

Overdue liabilities are paid in the following succession:

- Fines and penalties
- Interest
- Principal

YOUR BAD CREDIT HISTORY MAY AFFECT YOUR FUTURE LOAN APPLICATIONS.

Early repayment

In case of consumer loans, car loans, line of credit or overdraft the client has the right to repay the liabilities before the due date irrespective of whether or not such provision is included in the loan agreement.

Change of interest rates

The Bank is entitled to change the interest rates depending on the volatility of interest rates on funds borrowed and/or allocated by the Bank on financial market, and/or occurrence of preconditions for change of annual interest rate applied to the loan. The Bank shall inform the borrower of any change in the nominal interest rate made at the sole discretion of the Bank in advance, within the term specified in the agreement (at least 7 days in advance), via the channels specified in the agreement, which shall serve as a basis for applying the new terms from the date specified in the notice. If the borrower doesn't consent to the new interest rate, the borrower may terminate the respective agreement before the maturity date, repaying the obligations to the Bank under such agreement in full.

Consumers are allowed to cancel the credit agreement at their own discretion, for no particular reason, within 7 business days following its execution unless a longer period is stipulated therein (cooling-off period). In such cases, consumers are required to pay the interest accrued at the effective annual rate under the credit agreement. The consumer will not be required to pay any other reimbursement in relation to the cancellation of the credit agreement.

What may help you to get your loan approved

- Long-standing relationship between the Bank and the client
- Business reputation
- Other

Why your loan might be rejected

- The information (documents and other data) provided by the borrower is not trustworthy or complete.
- The borrower's declared income is not sufficient to repay the obligations.
- The borrower has bad credit history, overdue and/or classified liabilities (including liabilities to third parties), etc.

Loan decision

The bank reviews the loan application and makes a preliminary decision within 2 business days. If approved, the final loan decision is made within no more than 8 (eight) business days upon receipt of the complete set of documents. The bank's decision is communicated to the client within 1 business day. The loan is issued to the borrower only after execution of security agreements specified in the agreement.

The loan will be disbursed to the borrower within 1 business day upon performance of the following conditions precedent:

- (i) security agreements have been signed in accordance with the Armenian laws and regulations, such agreements prepared in form and substance satisfactory to the Bank,
- (ii) the collateral has been insured (upon the Bank's request) by an insurance company cooperating with the Bank,
- (iii) the borrower has fulfilled other conditions of loan issuance.

Once the Bank makes a loan decision, if the client.

- Confirms his/her intention to receive the loan within 45 calendar days after getting loan approval notice, the process moves to the formalization stage.
- If the client takes longer than 45 calendar days upon getting loan approval notice to confirm his/her intention to receive the loan, re-approval is needed.