

The terms mentioned in the bulletin may have been amended.

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INFORMATION BULELTIN OF “JERM OJAKH” CONSUMER MICRO LOAN

1.	Loan purpose	Renovation of residential real estate property aimed at increasing energy efficiency
2.	Loan currency	AMD
3.	Annual interest rate	14%
4.	Actual annual interest rate¹	14.93%
5.	Minimum term	60 months
6.	Maximum term	84 months
7.	Minimum amount	AMD 275.000
8.	Maximum amount	AMD 3.000.000
9.	Security	Guarantee of a physical entity may be required
10.	Requirements for the real estate property to be renovated	Residential property on the RA territory, except for “Centre” administrative district of Yerevan city, the real estate property to be renovated must be owned by the borrower or his/her family member ²

¹ 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.

² Family members are the borrower’s father, mother, spouse, spouse’s parent, grandmother, grandfather, sister, brother, spouse and children of brother, sister/

11.	<i>Loan application revision fee</i>	NE
12.	<i>Loan disbursement one-off fee</i>	NE
13.	<i>Loan encashment fee</i>	NE
14.	<i>Monthly loan service fee</i>	NE
15.	<i>Grace period for repayment of the principal loan amount</i>	6-12 months, With monthly interest repayment
	<i>Prerequisites for providing a loan</i>	<ul style="list-style-type: none"> ✓ At least 40% of the loan means must be directed towards measures aimed at improvement of energy efficiency and acquisition of materials/accessories, including up to 20% of the loan amount can be directed towards acquisition of energy-saving household appliances. ✓ Energy efficiency assessment proceeding from the above requirements is implemented by GFH with the help of online energy-measurement instruments. ✓ At least 80% of all the implemented measures must be grounded by documents confirming the payment. 100% of energy-efficiency measures must be grounded by documents confirming the payment. The measure shall be considered as a non-energy-efficient measure unless grounded by documents confirming the payment. If the borrower has also performed renovation of the property besides acquisition of energy-efficient materials/accessories, the former shall have to provide preliminary and final photos and/or video recording on the performed renovation works.
17.	<i>Repayment of the principal loan amount and interest amounts</i>	<ul style="list-style-type: none"> ✓ Repayment of only interest amounts during the grace period ✓ After the end of the grace period – completely payable Annuity or Differentiated repayment method, equal principal amount repayments <p>In both cases the payments must be made on a monthly basis.</p>

18.	Loan disbursement method ³	One-time, non-cash through the clients’ bank account opened with the Bank
19.	Opening/closure of bank account	According to the tariffs applied in the Bank presented at the following link: Information bulletin on tariffs.
Requirements for the borrower/co-borrower/guarantor		
20.	Status of the borrower/co-borrower/guarantor	RA citizen physical entity
21.	Age restriction	physical entity over 21 years of age whose age must not exceed 65 years by the maturity term of the loan
22.	General principles of borrower’s/guarantor’s creditworthiness assessment	Maximum ratio of total debt payments and net incomes (OTI) must not exceed <p style="text-align: center;">60%,</p> Renewable credit lines are included in the OTI calculation in the amount of monthly repayment of the loan in an annuity repayment method for a term of 60 months.
23.	Borrower’s income	The Borrower and/or the co-borrower must have primary income . The Guarantor must have primary or secondary income . 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%. The list of types of secondary income is presented in Appendix 1.1.
24.	Requirements of the credit history of the borrower/guarantor	1. 1. Absence of credit history or 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 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

³ Renovation works must be finished no later than in 12 months following conclusion of the loan agreement.

		<p>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).</p> <p>5. the client must not be included in the Bank's unwanted clients' list⁴.</p>
25.	Fines, penalties	<p>Fine for overdue principal loan amount – 0.1% a day</p> <p>Fine for overdue interest amount – 0.1% a day</p> <p><i>In case of non-targeted use of the loan the Bank is entitled to demand:</i></p> <ol style="list-style-type: none"> 1) early repayment of the whole lone amount, 2) penalty in the amount of 25% of the improperly used loan amount, 3) revision of loan interest rate according to the decision of the competent body of the Bank.
26.	Location of acceptance of the loan application, processing and provision of the loan	All branches of the Bank
27.	Positive factors for loan provision	<ul style="list-style-type: none"> ✓ good credit history ✓ cash flows
28.	Loan rejection factors	<ul style="list-style-type: none"> ✓ bad credit history, ✓ such information about the client which calls into question the information provided/declared to the Bank by the client, ✓ such information about the client which calls into question the repayment of the loan, ✓ insufficient cash flow level, ✓ absence of client's e-mail ✓ other grounds
29.	Maximum decision-making term	Maximum 3 business days after submission of all the required documents to the Bank
30.	Notification deadline for the decision	Maximum 3 business days after the decision has been made and all the required documents have been submitted.
31.	Maximum decision validity term	30 business days
Documents submitted to the Bank by the borrower/guarantor		

⁴ 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

32.	Identity document
33.	Social card/public services number (PSN)/ID/reference on absence of PSN
34.	Proof of income
35.	Ownership certificate of the real estate property to be renovated
36.	E-mail address of the client
37.	Other required documents

Appendix 1

	<i>Types of secondary income</i>	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%

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, 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.

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 and [Idram](#) 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