



The terms mentioned in the bulletin may have been amended.

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<b>Information Bulletin Energy-Efficient Renovation Loans</b>		
<b>1.</b>	<b>Main terms and conditions</b>	
<b>1.1</b>	<b>Loan purpose</b>	Energy efficient <sup>1</sup> renovation of apartments <sup>2</sup> or individual residential houses
<b>1.2</b>	<b>Loan currency</b>	AMD
<b>1.3</b>	<b>Minimum loan amount</b>	300 000
<b>1.4</b>	<b>Maximum loan amount</b>	7 000 000 <sup>3</sup>
<b>1.5</b>	<b>Rocket Line<sup>4</sup></b>	At least 10% of the loan amount, not exceeding AMD 10,000,000
<b>1.6</b>	<b>Minimum loan term</b>	60 months
<b>1.7</b>	<b>Maximum loan term</b>	84 months

<sup>1</sup> Energy-efficient measures include thermal insulation of walls, roofs, inter-floor constructions; purchase of energy-efficient building materials; purchase, replacement or installation of exterior doors and windows; purchase, replacement or installation of heating or water heating boiler (based on gas supply or electricity) and heating system components (pipes, sections, etc.); purchase and installation of cooling systems, energy-efficient ventilation fan, air conditioner; purchase and installation of solar systems (water heating, photovoltaic system); purchase of LED lamps and light fixtures.

<sup>2</sup> An existing apartment in an apartment building (except for residential buildings of the 4th degree of damage) or an individual residential house.

<sup>3</sup> In case of renovation of an individual residential house, the maximum loan amount is AMD 10,000,000

<sup>4</sup> The total amount of unsecured loans of the borrower with "IDBank" CJSC cannot exceed AMD 10,000,0000

<b>1.8</b>	<b>Nominal annual interest rate</b>	<b>13.15% fixed interest rate</b>
<b>1.9</b>	<b>Effective annual interest rate<sup>5</sup></b>	<b>14%</b> , where as a result of state assistance <sup>6</sup> the effective interest rate of the loan will be: 5% - in Yerevan 3% - in urban areas 2% - in rural areas 0% - in border areas or high mountain areas
<b>1.10</b>	<b>Security (pledge)</b>	The renovated real estate property may be required to be pledged. In case of collateral, the requirements to the collateral are described in <a href="#">the information bulletin for Renovation Mortgage Loans</a>
<b>1.11</b>	<b>Method of loan disbursement</b>	Non-cash transfer made in a lump sum or installments
<b>1.12</b>	<b>Grace period</b>	NE
<b>1.13</b>	<b>Method of loan and interest repayment</b>	<b>Annuity</b> – the loan is repaid in equal monthly installments, consisting of the loan principal and interest charges
<b>1.14</b>	<b>Loan application processing fee</b>	NE
<b>1.15</b>	<b>One-time loan disbursement fee</b>	NE
<b>1.16</b>	<b>Bank account opening</b>	in accordance with tariffs of bank accounts, transfers and other services provided by “IDBANK” CJSC for physical entities

<sup>5</sup> THE LOAN INTEREST IS CALCULATED BASED ON THE NOMINAL INTEREST RATE. THE LOAN INTEREST IS CALCULATED BASED ON THE ACTUAL BALANCE OF THE LOAN, AND THE EFFECTIVE ANNUAL INTEREST RATE SHOWS HOW MUCH THE LOAN WILL COST IF THE CLIENT PAYS INTEREST AND OTHER FEES IN THE PRESCRIBED TIME AND AMOUNTS.

These effective interest rates may be changed in case of the pledge of real estate.

<sup>6</sup> During the term of the loan, the state assistance is terminated in case of full repayment of the loan, non-targeted use of the loan, failure to complete renovation work within 12 months after the provision of the complete amount of the loan, liabilities overdue for more than 90 days, as well as obtaining more than one loan under the state assistance program.

1.17	<b>Commission for encashment of loan amount</b>	NE
1.18	<b>Requirements to the renovated real estate<sup>7</sup></b>	Residential real estate is located on the territory of the Republic of Armenia and belongs to the borrower or a member of his/her family <sup>8</sup>
1.19	<b>Preliminary conditions for loan issuance</b>	<ol style="list-style-type: none"> <li>1) The renovation is considered energy-efficient, where out of the total cost of measures aimed at increasing energy efficiency, for purchase, installation or replacement of alternative energy sources, use of energy-efficient construction materials, energy-saving heating systems, exterior doors and windows, and in the case of an individual residential house – for thermal insulation of external covering and enclosing structures the following part of the loan amount is used: <ol style="list-style-type: none"> <li>2) At least 20% of the loan amount – for apartments</li> <li>3) At least 30% of the loan amount – for individual residential houses</li> </ol> </li> <li>1. The energy efficiency assessment based on the above requirements is carried out using online energy efficiency calculation tools, like "Warm Hearth" or "My Roof"</li> <li>2. The amount allocated for the purchase of household appliances cannot exceed 10% of the total loan amount (household appliances that can be bought with the loan include refrigerators, washing machines, dishwashers, electric ovens, electric stoves, electric water heaters with energy efficiency class A+). The purchase of household appliances is not considered as energy efficient measure.</li> <li>3. The use of the loan in the authorized expenditure areas is carried out through non-cash transactions in the amount of at least 70% of the total loan amount. At least 80% of the expenditure areas of the loan and 100% of the expenses allocated for energy-efficient measures must be substantiated through relevant documents (payment order, cash receipt, payment by invoice, bank or card transfer, a document confirming the fact of acceptance and delivery of goods, work or services).</li> <li>4. Energy-efficient measures that fail to provide documents confirming payment are not considered as energy-efficient measures. In order to use the loan funds, it is necessary to present preliminary and final photographs and/or video recording summarizing the renovation work.</li> </ol>
1.20	<b>Insurance</b>	Where applicable, effected by the Bank in accordance with the information bulletin of Renovation Mortgage Loans
1.21	<b>Pledge registration fees (in case of pledged property)</b>	Paid by the client
2.	<b>Requirements to the Borrower/co-borrower</b>	
2.1	<b>Status of the borrower/co-borrower</b>	RA citizen physical entity
2.2	<b>Age restriction</b>	<b>borrower</b> – physical entity over 21 years old, whose age must not exceed 65 years by the loan maturity. <b>co-borrower</b> - physical entity over 21 years old, whose age must not exceed 65 years at the moment of loan disbursement (the age restriction requirement shall not be applied if

<sup>7</sup> Renovation work must be completed within a maximum of 12 months after the conclusion of the loan agreement

<sup>8</sup> Family members include father, mother, spouse, spouse's parents, grandmother, grandfather, sister, brother, children, grandchildren of the borrower

		based on the information submitted in the application form the financial state of the borrower (other co-borrowers) is enough to repay the loan without the given co-borrower (co-borrowers).
2.3	<b>General principle of assessment of borrower's/co-borrower's creditworthiness</b>	<p>Maximum ratio of all outstanding obligations to the estimated net income (OTI ratio)</p> <p><b>45%-60%</b></p>
2.4	<b>Borrower's/co-borrower's income</b>	Composition of income in accordance with <a href="#">Appendix 1</a>
2.5	<b>Requirements to the Borrower's/co-borrower's credit history</b>	<ol style="list-style-type: none"> <li>1. Absence of credit history or</li> <li>2. Absence of overdue liabilities towards the financial-banking system as of the date of acceptance of the loan application (in terms of loans, credit lines, overdrafts, provided guarantee etc.), and</li> <li>3. Less than 30 total overdue days in terms of loan principal amount and/or interest repayments in terms of loans (credit line, overdraft, guarantee etc.) received within the 12 months preceding the loan application submission date.</li> <li>4. The Client should not be included in the list of undesirable clients of the Bank<sup>9</sup>.</li> </ol>
2.6	<b>PENALTIES, FINES</b>	<p>Penalty for overdue principal amount – 0.1% for each day of delay</p> <p>Penalty for overdue interest amount – 0.1% for each day of delay</p> <p>in case of early repayment of the loan amount, no penalty is charged</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"> <li>1) early repayment of the entire loan amount</li> <li>2) penalty in the amount of 25% of the misused loan amount,</li> <li>3) revision of loan interest rate as authorized by the competent body if the Bank</li> </ol>
2.7	<b>Place of acceptance of application and other documents</b>	All branches of the Bank
2.8	<b>Decision-making on loan issuance and notification of the client</b>	Up to 3 business days after the submission of the full package of documents requested by the Bank
2.9	<b>Loan disbursement date</b>	Within 3 business days after the submission of the complete package of documents and registration of the right of pledge (if available) following the decision on loan issuance
2.10	<b>Validity the loan issuance decision</b>	30 business days
2.11	<b>Master loan agreement</b>	In case of collateral, the Bank enters into a master loan agreement with the client for a term of up to 240 months and in the amount of up to 100% of the market price of the real estate.
2.12	<b>List of documents and required information to</b>	<ol style="list-style-type: none"> <li>1. Identity document</li> <li>2. Social card/public service number (PSN)/ identity card/(reference on absence of PSN)</li> </ol>

<sup>9</sup> Legal relations regarding the classification of the client as unwanted are regulated by the procedure "On Defining the Criteria of Classification of Clients as Unwanted and Management of Relations with Them"- [https://idbank.am/information/helpfull-information/Classification\\_procedure\\_eng.pdf](https://idbank.am/information/helpfull-information/Classification_procedure_eng.pdf)

<b>be submitted by the client</b>	<ol style="list-style-type: none"> <li>3. Income documentation</li> <li>4. Certificate of registration of ownership of the renovated apartment or residential house</li> <li>5. Certificate of real estate valuation provided by an independent appraisal organization or a report issued by licensed persons (the report issuance date should not exceed 10 years), as a result of inspection of the technical condition of the apartment (residential building) built before 2010 on the absence of 4<sup>th</sup> degree damage<sup>10</sup></li> <li>6. Client's e-mail address</li> <li>7. Photos or video recording of the renovated real estate property</li> <li>8. Certificate of marriage (if available)</li> <li>9. In case of pledge, a list of additional documents and additional information related to the pledge, in accordance with the information bulletin on "Renovation Mortgage Loans"</li> </ol>
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**Note:**

**In case of the pledge of property, the borrower shall also pay the following expenses (in case of 1 collateral)**

*o Property appraisal fee in the amount of up to AMD 25,000.*

*o Unified reference – up to AMD 10,300*

*o Inquiry of information – AMD 1,300*

*o Notarization fee – up to AMD 20,000*

*Registration of right of pledge – up to AMD 26,400*

*The list and tariffs of appraisal companies cooperating with the Bank is available through the following link:*

[List of appraisal companies](#)

*The list and tariffs of insurance companies cooperating with the Bank is available through the following link:*

[List of insurance companies](#)

*Irrespective of the rates of the Bank stated in these terms, the fees for services rendered by third parties can be changed by the third parties.*

**Attention:**

**To receive a loan, the borrower/co-borrower must provide the Bank with his/her e-mail address, otherwise the loan shall be rejected.**

<sup>10</sup> The list of persons licensed for inspection of the technical condition of buildings and structures is published on the official website of the Urban Development Committee of the Republic of Armenia: [www.minurban.am](http://www.minurban.am)



***Income composition and maximum weights to participate in the OTI ratio***

<b><i>Income composition and maximum weights to participate in the OTI ratio</i></b>		
<b>1.</b>	<b><i>Primary income</i></b>	
<b>1.1</b>	Salary/income received for the main work hours, based on the professional skills and abilities of the borrower/co-borrower	100%
<b>1.2</b>	Income (profit)* received as a result of own entrepreneurial activity*, and supported by relevant documents *the business must be registered with the relevant state body and operate for at least 6-12 consecutive months	
<b>2.</b>	<b><i>Secondary income</i></b>	
2.1	Income received from rental, supported by documents. Moreover, the real estate has been leased for at least 270 days during the 12 months prior to the loan application and substantiated by the necessary documents.	100%
2.2	Bonus payments, provided they are paid regularly (at least semi-annually) and have been paid within the past one Year.	100%
2.3	Dividends, if they are paid regularly from the declared profit.	100%
2.4	Income from investments into state treasury bonds, CB RA securities, other securities, received during at least within one year prior to the date of loan application.	60%
2.5	Income substantiated by the relevant agreement, not directly related to the professional activity or skills of the borrower/co-borrower.	60%
2.6	Income received for paid works or rendered services over at least one year, substantiated by a corresponding agreement.	50%
2.7	Transfers that have been received for at least 8 months over a year preceding the date of loan application if these transfers were made by family members (family members include father, mother, spouse's parents, grandfather, grandmother, sister, brother, children, spouse, and children of sister/brother)	60%

2.8	Pension for long term service (employees of the Police of the Government of RA, RA Ministry of Defense, penitentiaries and other relevant institutions, pedagogues, judges, etc.), pension for the death of breadwinner, etc. (except for retirement pension).	60%
2.9	Income received from own entrepreneurial activity substantiated by internal accounting documents (if the income is received from entrepreneurial activity not registered with the tax system).	60%
2.10	Other income acceptable for the Bank's competent body.	Up to 100%

## GENERAL PROVISIONS

1. Before the 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 Bank shall provide the client with the mortgage loan offer 7 days prior to the agreement signing date and provide the client with the opportunity to think over before making a final decision.
3. The borrower is entitled to completely or partially perform his/her contractual obligations ahead of schedule, paying a penalty if provided.
4. 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.
5. The client is entitled to fulfil (repay) his/her contractual obligations ahead of schedule irrespective of the fact of such right being prescribed by the loan agreement or not.
6. The real estate mortgage agreement must be notarized. The property ownership right, mortgage right and other property rights are subject to state registration.
7. Loan interest amounts shall be calculated based on the effective interest rate. Loan interest amount shall be calculated against actual loan balance.
8. 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 prescribed terms and amounts.

9. The procedure of effective annual interest rate calculation is presented at the following link: [Guidelines on effective annual interest rate calculation](#).
10. 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.
11. In case of foreign currency loans, the interest amounts calculated against the principal loan amount can also be paid in the loan currency upon the client's request.
12. In case of foreign currency loans, the changes of foreign currency exchange rates can impact the loan repayments.
13. In case of failure to perform interest and loan repayments on time the pledged property and/or monetary funds can be confiscated under the procedure prescribed by law, and the Bank shall provide the information on the client to the credit bureau within a maximum of three business days, where the client's credit history record is maintained. The client is entitled to receive his/her credit history free of charge once a year from the credit bureau.
14. Bad credit history can prevent the client from receiving loans in the future.
15. The borrower may be deprived of his/her property rights (to apartment or house) if he/she does not fulfill or improperly fulfills his obligations under the loan agreement.
16. In the event of failure to fulfil the liabilities, and in case the collateral is not sufficient to fulfil the client's liabilities at the expense of the collateral, the liabilities can be repaid at the expense of other property of the client.
17. For the implementation of overdue liabilities, 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.
18. Disputes arising between the parties can be settled in a court proceeding or by the Financial System Mediator (as prescribed by the RA law on "Financial System Mediator"), located at 0010, Yerevan, 15 M. Khorenatsi Str, "Elite Plaza" business center, 7th floor, e-mail: info@fsm.am, telephone: (+37460) 70-11-11, fax: (+37410) 58-24-21. Moreover, if the property claim does not exceed AMD 250 000 (two hundred fifty thousand) or equivalent in foreign currency, the decisions of the Financial System Mediator cannot be challenged by the Bank.
19. To conduct a 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.
20. Under an agreement with the USA based on the Foreign Account Tax Compliance Act (FATCA) the Bank may collect additional information to determine whether the client is a US taxpayer.
21. The Client is entitled to communicate with the Bank through a preferred means of communication: e-mail or postal service. 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 form, as well as ensures confidentiality.



22. The conditions on provision of statements, their copies, references during the validity of the loan agreement can be found at the following link: [Tariffs.](#)
23. The list of branches and ATMs of the Bank, information on their location and working hours can be found at the following link: [Branches and ATMs.](#)
24. Remote servicing by the Bank is provided through [IDBanking.am.](#) online system. The procedure and tariffs on rendering remote services are available in [“Public Terms on Rendering Remote Banking Services”.](#)

**ATTENTION! THE BANK IS CONTROLLED BY THE RA CENTRAL BANK**