

**Loans issued under AUA
 “Turpanjyan rural communities’ development” program**

1	Terms & Conditions	
1.1	Currency	Armenian dram (AMD)
1.2	Annual nominal interest rate	5%
1.3	Loan/collateral value	110%
1.4	Period	1-60 months
1.5	Manner of repayment	Payment of interests – monthly; Repayment of the principal –subject to the peculiarities of business
1.6	Amount	AMD 500,000-10,000,000
1.7	Fine, penalty for early repayment	N/A
1.8	Coverage area	Tavush, Vayots Dzor, Shirak, Aragatsotn, Gegharkunik, Kotayk, Syunik, Armavir marzes of RA, Artsakh, Javakhq
2	Bank fees	
2.1	Fee for application review	AMD 0
2.2	Fee for loan maintenance	AMD 0
2.3	Fee for cashing out loan amounts	AMD 0
3	Security	
3.1	Collateral	Surety of the American University of Armenia Corporation; Surety of 2 people who have stable income and are not a member of the Borrower's family
4	Requirements to borrower	
4.1	Borrower	Legal entities, private entrepreneurs, individuals
4.2	Requirements to Borrower	Total number of days outstanding on credit commitments during the past 12 months must not exceed 30 days; if the term of Borrower’s activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days for each month from the date of actual business, on a cumulative basis).
4.3	Additional term	Financial indicators obtained after the analysis of the Borrower’s financial reports must meet the requirements of the Bank
5	Requirements to Guarantor	
5.1	Guarantor	A resident natural person registered in Armenia or Artsakh
5.2	Requirements to Guarantor	<ul style="list-style-type: none"> • Natural person aged 21-63, • There should not be any overdue liabilities (including for issued guarantees), • Total number of days outstanding on credit commitments during the last 12 months (including for issued guarantees) must not exceed 30 days (if the term of the Borrower’s activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days for each month from the date of actual activity, on a cumulative basis);
6	Additional terms	

6.1	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA
6.2	Penalty on overdue interest	0,13% per day

IN CASE OF NON-FULFILLMENT OR IMPROPER FULFILLMENT OF OBLIGATIONS BY THE BORROWER, THE CREDITOR SHALL WITHIN 7 BUSINESS DAYS SEND THESE DATA TO THE CREDIT BUREAU WHERE CREDIT HISTORY IS FORMED. ONCE A YEAR THE BORROWER IS ENTITLED TO GET ITS CREDIT HISTORY FOR FREE FROM THE CREDIT BUREAU.

INFORMATION FOR THE GUARANTORS:

Please be informed that:

- If the borrower fails to fulfill his/her obligations, you will have to pay instead of the borrower, your credit history will be impaired and you will lose your property,
- You will be provided with the copies of loan, guarantee contracts and repayment schedule,
- Communication will be maintained in the mode you have selected,
- You will be notified of a change in the terms of the contract 7 days prior to such changes,
- You will receive a reminder on current obligation 1 day prior to due date,
- In case of loan delinquency, you will be notified about no later than on the next day.

THE GUARANTOR MAY:

- Any time request the lender to provide information on the amount of loan balance,
- Receive from the Borrower the amount paid by you for the loan, as well as other losses incurred in lieu of the Borrower.

Conditions, terms and tariffs for the provision of excerpts, their copies and other information - in accordance with the Bank's tariffs for services.

WARNING

YOUR PROPERTY MAY BE CONFISCATED IN THE ORDER PRESCRIBED BY LAW FOR FAILURE TO FULFILL OR IMPROPER FULFILLMENT OF OBLIGATIONS UNDER LOAN AGREEMENT.

ATTENTION

THE INTEREST AMOUNTS ARE CALCULATED BASED ON THE NOMINAL INTEREST RATE. THE EFFECTIVE ANNUAL INTEREST RATE ON LOANS MEASURES THE REAL COST OF CREDIT AFTER THE INTERESTS ARE PAID AND OTHER PAYMENTS ARE MADE WITHIN THE SPECIFIED TIME AND AMOUNTS. THE PROCEDURE FOR CALCULATING THE ANNUAL EFFECTIVE PERCENTAGE RATE CAN BE FOUND [HERE](#).

Formula for Effective Annual Interest Rate Calculation

The actual annual interest rate is calculated based on the following formula:

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

where:

i – effective annual percentage rate (APR),

A - initial amount of loan to be disbursed,

n - number of the repayment of loan,

N - number of the last repayment of loan,

K_n - amount of the n-th repayment of loan,

D_n - time from the date of loan disbursement to the date of the n-th regular repayment on loan measured in terms of days

The annual actual interest rate may be changed depending on the change in the exchange rate published on the official website of the Central Bank of the Republic of Armenia.

THE BORROWER HAS THE RIGHT TO COMMUNICATE WITH THE FINANCIAL ORGANIZATION IN A FORM HE/SHE PREFERS MORE (BY POST OR ELECTRONIC COMMUNICATION). OBTAINING INFORMATION THROUGH ELECTRONIC COMMUNICATION IS MOST COMFORTABLE. IT IS AVAILABLE IN 24/7 MODE, IS FREE OF THE RISK OF LOSS OF PAPER DOCUMENTS AND ENSURES CONFIDENTIALITY.

You can get acquainted with “Your financial directory” system by the following link: www.fininfo.am.