

Mortgage F.A.Q.

1. What type of mortgage loans does HSBC Bank Armenia provide?

We provide residential property purchase, house renovation and refinancing of existing mortgage loans in Armenian drams and US dollars.

2. If the Mortgage loan is approved what are my next steps?

When loan is approved and the documents are with the Bank, Bank representatives prepare agreements and contact the customer to meet in Notary office. The loan is provided to the customer after all appropriate documents (insurance certificate, mortgage/ownership registration certificate, valuation report/certificate, combined certificate issued by the respective department of the State Committee of the Real Estate Cadastre on restrictions in respect of the residential property) are with the Bank.

3. Can I pledge the apartment other than the one he wants to purchase?

Customer can only pledge another residential property when applying to buy a property from primary market. In this case the property that is being bought may not have a proper ownership certificate. Once the legal documents (ownership certificate) is obtained for the new property (maximum term 12 months of receiving the loan, the pledge should be changed).

4. Can I purchase land on which I want to build the house?

No, currently HSBC Bank Armenia does not provide mortgage loans for purchasing a land for building residential property on it.

5. Does HSBC provide loan for house construction?

No, currently HSBC Bank Armenia does not provide Construction loans.

6. After Mortgage loan preliminary approval how much time do I have for finding a house to purchase?

Customer has up to 1 month, to find a house or an apartment, after loan preliminary approval.

7. What if the property amount in the S&P (Sell and Purchase) agreement differs from the amount stated in the valuation certificate?

It is still ok if the property amount in the S&P agreement differs from the amount stated in the valuation certificate. The smaller of these two figures (mentioned in S&P and Valuation Certificate) is taken into consideration, and should not be less than the defined LTV (Loan to Vale Ratio) for already approved Loan amount.

8. Is there a penalty fee for early mortgage loan repayment?

For each principal repayment made before the set repayment schedule during the first 2 years of loan term, the Bank may apply an overpayment calculated at 10% of the amount overpaid. The fee is subject to minimum charge of AMD 5,000 and maximum AMD 300,000.

9. How long will it take to receive the loan after I apply?

- The maximum period for informing the applicant about the decision - within 5 working days after the submission of all other necessary documentation as requested by the Bank.

- The maximum period for loan provision/drawdown - within 2 working days after the signing of loan agreement, proper verification and registration of the security agreement, submission of security insurance and necessary payments stipulated in the loan agreement.

10. Can I apply and receive a Mortgage loan, if the house that I want to buy is still in construction process?

Yes, in case if the house is still in construction process and proper ownership certificate is not issued yet, customer can pledge another property subject to eligibility (Loan to Value Ratio). Within 12 months after receiving the ownership certificate, change in pledge should be arranged.

11. Is revaluation of my property mandatory after six months for residential property renovation loan?

For renovation loans, a report from an independent authorized valuator in evidence to the renovation done should be provided after 6 months from the date of the loan drawdown