

Residential property purchase loan in AMD

Loan terms¹	From 24 months up to 180 months.
Loan amount	From AMD 2.5 million up to AMD 200 million.
Loan to Value Ratio	<p>Loan amount cannot exceed:</p> <ul style="list-style-type: none"> • 90% of the purchased property value, in case if property is located in Yerevan and additional property in Armenia is pledged, provided total LTV ratio of two properties is maximum 75%. Bank accepts only one additional property as a pledge² • 75% of the purchased property value, in case if property is located in Yerevan, no additional property is pledged • 60% of the purchased property value, in case if located elsewhere in Armenia, in case if additional property in Armenia is pledged • 30% of the purchased property value, in case if located elsewhere in Armenia, no additional property is pledged
Debt to Income Ratio	The ratio of overall loan payments to net monthly income cannot exceed 60% if net monthly income is less than AMD 700,000 and 70%, if net monthly income is greater than or equal to AMD 700,000.
Interest rate³	<p>Floating annual nominal interest rate is calculated at Bank's AMD base rate plus fixed Interest Rate Margin and it is currently equal to:</p> <p>$9.5\% + 2.5\% = 12\%$⁴</p> <p>Where:</p> <p>9.5% - Bank's AMD Base Rate 2.5% - Fixed interest Rate Margin for purchase and renovation loans in AMD Annual percentage rate starting from 12.98%</p> <p>Loan interest amount is being calculated based on the annual nominal interest rate, whereas the annual percentage rate or APR indicates how much would loan cost to borrower in case of repayment of interest amount and other payments under the defined timeline and terms.</p> <p>Loan interest is calculated in the loan currency on a daily basis for 365 days and for 366 days in case of leap year on the loan outstanding balance.</p>
Loan account service fee (one off)⁵	<ul style="list-style-type: none"> • AMD 100,000 if the loan amount is less than or equal to AMD 30 million. • AMD 200,000 if the loan amount is more than AMD 30 million. <p>Account service fee will be charged from the customer's account on loan provision day.</p>

Please read loan Terms and Conditions before applying.

¹ Customer's minimum age is 18. Customer's age plus the loan term should not exceed 65 years.

² In case of 75%-90% loan-to-value ratio loan maximum amount cannot exceed AMD 100 mln.

³ Depending on risk assessment results, loan application may be approved at a higher interest rate.

⁴ Floating annual nominal interest rate for PLUS and STATUS customers is equal to 11% (9.5%+1.5%, where 9.5% is the Bank's AMD Base Rate, 1.5% - fixed margin). Annual percentage rate starting from 11.57%.

⁵ Not applicable for PLUS and STATUS customers

You are eligible to apply for a residential property purchase loan if you meet the below minimum criteria

Salaried account holders

- You are an Armenian national or Armenian resident¹

and

- Have an account with HSBC Bank Armenia CJSC (hereafter the Bank) and at least 3 months employment with a company maintaining satisfactory banking relationship with the Bank, and your net monthly salary is at least AMD 200,000

or

- Have an account with the Bank and at least 3 months employment with a company maintaining accounts with other banks in RA, and your net monthly salary is at least AMD 200,000. Salary should be transferred to your account with the Bank after loan drawdown (in case if prior salary transfer is not required by the Bank)²

or

- Have an account with any other bank with at least 6 months employment history and salary being transferred to your account for 6 months, and your net monthly salary is at least AMD 250,000

Non-salaried account holders

- You are an Armenian national or Armenian resident¹

and

- Have satisfactory account record and banking relationship with the Bank for a period of 6 months and more, and the last 6 months average monthly balance and average balance of the last month have been at least AMD 200,000 (or equivalent in other currency)

or

- Have satisfactory account record and banking relationship with other local banks for a period of 6 months and more, and the last 6 months average monthly balance and average balance of the last month have been at least AMD 250,000 (or equivalent in other currency)

¹ Persons with minimum 1 year of residence in Armenia proven by respective documents are considered as Armenian residents.

² The requirements on salary transfer to your account with the Bank will be communicated to you during the loan approving process.

Loan repayment

The following repayment options are available for the borrowers:

- Principal is repaid in equal monthly installments, while interest amount decreases with the repayment of a principal. Therefore, monthly repayments will decrease over the loan tenor
- Repayments are calculated on annuity basis, where both principal and interest monthly repayment amounts change over the loan tenor, while the total monthly repayment amount remains constant.

Your property may be repossessed in case you do not properly meet your loan obligations

Interest amount calculation

Interest amount will be calculated on a daily basis by using the following formula:

$I = R * L / 365$, where

I = one day interest amount

R = current interest rate

L = outstanding amount of loan

Representative examples of interest amount calculation

Example 1. House purchase loan in AMD with annuity repayment type was provided to the customer.



- Loan amount - AMD 25,000,000
 - Loan term - 120 months
 - Annual interest rate - 15%
 - Days in a year - 365
 - Loan provision date - 21/10/2015
 - First repayment date - 21/11/2015
 - Loan full repayment date - 21/10/2025
 - One-off service fee for the loan - AMD 100,000
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- Monthly repayment amount AMD 403,337.39, out of which
 - Interest amount for the first month - AMD 318,493.15
 - Interest amount for the second month - AMD 307,173.15
 - Interest amount for the last month - AMD 5,549.63

Interest amount for the whole period of loan is AMD 23,468,357.85

Example 2. House purchase loan in AMD with Reducing repayment type was provided to the customer.

- Loan amount - AMD 25,000,000
 - Loan term - 120 months
 - Annual interest rate - 15%
 - Days in a year - 365
 - Loan provision date - 21/10/2015
 - First repayment date - 21/11/2015
 - Loan full repayment date - 21/10/2025
 - One-off service fee for the loan - AMD 100,000
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- Monthly repayments
 - Repayment for the first month - AMD 526,826.48 (out of which - interest amount AMD 318,493.15)
 - Repayment for the second month - AMD 513,984.02 (out of which - interest amount AMD 305,650.68)
 - Repayment for the last month - AMD 210,816.21 (out of which - interest amount AMD 2,482.87)

Interest amount for the whole period of loan is AMD 18,924,743.15

Example 3. House purchase loan in USD with annuity repayment type was provided to the customer.



- Loan amount - USD 50,000
 - Loan term - 120 months
 - Annual interest rate - 12%
 - Days in a year - 365
 - Loan provision date - 21/10/2015
 - First repayment date - 21/11/2015
 - Loan full repayment date - 21/10/2025
 - One-off service fee for the loan - AMD 100,000
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- Monthly repayment amount AMD equivalent of USD 717.35, out of which
 - Interest amount for the first month - AMD equivalent of USD 509.59
 - Interest amount for the second month - AMD equivalent of USD 491.10
 - Interest amount for the last month - AMD equivalent of USD 7.56

Interest amount for the whole period of loan is AMD equivalent of USD 36,166.40

Example 4. House purchase loan in USD with Reducing repayment type was provided to the customer.

- Loan amount - USD 50,000
 - Loan term - 120 months
 - Annual interest rate - 12%
 - Days in a year - 365
 - Loan provision date - 21/10/2015
 - First repayment date - 21/11/2015
 - Loan full repayment date - 21/10/2025
 - One-off service fee for the loan - AMD 100,000
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- Monthly repayments
 - Interest amount for the first month - USD 926.26 (out of which interest amount is AMD equivalent of USD 509.58)
 - Interest amount for the second month - USD 905.71 (out of which interest amount is AMD equivalent of USD 489.04)
 - Interest amount for the last month - USD 420.64 (out of which interest amount is AMD equivalent of USD 3.97)

Interest amount for the whole period of loan is AMD equivalent of USD 30,279.59

Note: In case of discrepancies between the Armenian and English versions of this page, the Armenian version shall prevail. Last updated on: 17/01/2019 15:00