

Decree of the President of the Azerbaijan Republic

About perfection of mechanism of lending mortgage credits in Azerbaijan Republic

With the purpose of perfection of mechanism of providing citizens with living area by long-term mortgage crediting, creation of mechanism of lending discounted mortgage credits to young families and military men of Ministry of Defense of Azerbaijan Republic (except military men serving temporarily), I adjudge:

1. Following amendments are made to “Rules of lending mortgage credits at the expense of resources of Azerbaijan Mortgage Fund, under National bank of Azerbaijan”, ratified by decree of President of Azerbaijan Republic, dated 22 December 2005, numbered 339 (Collection of Legislation of Azerbaijan Republic, 2005 year, № 12, Article 1108):
 - 1.1. In 3.1.3. item, number “15” is replaced by number “25”;
 - 1.2. In 3.1.4. item, the words “150.000.000 manat (30.000 new manat)” is replaced by the words “50.000 manat”;
 - 1.3. In 3.1.5. item, the word “12%” is replaced by the word “8%”;
 - 1.4. 3.1.6. item is given in following editing:

“3.1.6. Amount of credit should not exceed 85% of market price of mortgaged immovable property. If execution of liability under mortgage credit, is guaranteed by Guarantee Fund of Mortgage Credits (at least 20% of credited amount), credited amount can be equal to 100% of market price”.
 - 1.5. In item 3.1.7., the word “50%” is replaced by the word “70%”;
 - 1.6. In 3.1.13. item the words “debtor’s life and ability to work, also” are removed.
 - 1.7. 4.12.6. item is given in following editing:

“4.12.6. Document confirming purchase of living area owing to mortgage credit”;
 - 1.8. In 5.1.1. item number “60” is replaced by number “90”;
2. “Rules of lending discounted mortgage credits in Azerbaijan Republic” is ratified (attached).
3. Cabinet of Ministers of Azerbaijan Republic is given commission;
 - 3.1. With the purpose of abolishing requirement about initial payment and reducing creditor’s risks in this case, establish Warranty Fund of Mortgage Credits as non-commercial organization having legal status.
 - 3.2. To create and approve charter of Warranty Fund of Mortgage Credits, with the help of relevant government departments, in one month, and according to legislation to register it publicly.
 - 3.3. To present the proposals about providing military men (except military men serving temporarily) with discounted mortgage credits, excluding military men of Ministry of Defense of Azerbaijan Republic, in 2 months.
 - 3.4. To solve matters arising from this decree.
 - 3.5. This decree enters into the force on published day.

Ilham Aliyev
President of Azerbaijan Republic
Baku city, 23 January 2007