

**Ratified by the decree of President of
Azerbaijan Republic dated “23” January
2007.**

Rules of lending discounted mortgage credits in Azerbaijan Republic.

1. General theses.

These Rules are created according to the law of Azerbaijan Republic about “Youth policy”, decrees of President of Azerbaijan Republic about “Creation of mortgage system in Azerbaijan Republic” dated 16 September 2007 numbered 299 and about “Ratification of charter on Azerbaijan Mortgage Fund attached to National Bank of Azerbaijan Republic” dated 22 December 2005 numbered 339, orders of President of Azerbaijan Republic about “Ratification of Azerbaijan Youth State Program(2005-2009 years)” dated 30 August 2005 numbered 982 and about “Reinforcing measures of social protection of military personnel of Ministry of Defense of Azerbaijan Republic” dated 23 January 2006 numbered 1235 and other legislative acts and defines application rules of mortgage discounts lent for the purchase of accommodation.

2. Discounts under mortgage credits.

2.1. Discounts under mortgage credits are only applied to mortgage credits lent according to requirements of Azerbaijan Mortgage Fund (in future AMK) attached to National Bank of Azerbaijan Republic.

2.2. Maximum amount of discounted mortgage credits should not exceed 35 000 manat.

2.3. Discounted mortgage credit is lent for the period from 3 to 30 years.

2.4. Annual percentage rate under the discounted mortgage credit should not exceed 4%.

2.5. Following persons have the right to take advantage of discounts under mortgage credits:

2.5.1. Following persons, who are members of young family:

-member of martyr family (husband/wife, descendants);

- National Hero (himself, husband/wife, descendants);
- internally displaced person or person considered similar
- person, who has been working as a state employee at least 3 years
- person, with the candidate of science or doctor of science degree
- persons, with significant services in sports (Honored physical training and sport worker, winner of the competitions on a republic scale (I place), winner of the competitions on a world scale (I, II, III places)).

2.5.2. Military personnel of Ministry of Defense of Azerbaijan Republic, who served in the forces at least 3 years (except military personnel served temporarily in the forces).

2.6. Each family (person) having the right to take advantage of discounts under mortgage credits can take credit only once.

2.7. Discounted mortgage credits are lent at the expense of allocations from government budget.

3. Presenting discounted mortgage credits.

3.1. The person, who wants to take discounted mortgage credits (in future “debtor”), applies to authorized credit organization and passes the evaluation in general defined way.

3.2. Debtor applied to authorized credit organization should present documents proofing that he/she belongs to discounted category.

3.3. Authorized credit organization considers the application, according to rules and requirements of AMF.

3.4. In the case, if authorized credit organization makes a decision to lend discounted mortgage credit, it lends discounted mortgage credit according to legislation and applies to AMF for refinance.

4. Final thesis.

Tasks, not accomplished by these rules are regulated by AMF’s rules and requirements, also by legislation of Azerbaijan Republic.