

Annex
Rules of social mortgage loans allocation in Azerbaijan Republic
Confirmed by Order of the President of Azerbaijan Republic numbered 515, dated January
23, 2007

1. General regulations

These Rules have been prepared in accordance with Law of Azerbaijan Republic "About Youths' Politic", Decrees of the President of Azerbaijan Republic "About Creation of Mortgage Loan Systems in Azerbaijan Republic" numbered 299, dated September 16, 2005 and "About Confirmation of Charter of Azerbaijan Mortgage Fund under Central Bank of Azerbaijan Republic" numbered 339, dated December 22, 2005 and Orders "About Approval of Azerbaijan Youth State Program (2005-2009 years)" numbered 982, dated August 30, 2005 and "About Social Defense Strengthening Measures of Military Employees of Azerbaijan Republic Ministry of Defense" numbered 1235, dated January 23, 2006 and other legislation decrees for improvement of social status of young families and military employees, and define rules of concessions applying on mortgage loans allocating in order to purchase living areas.

2. Concessions on Mortgage loans

2.1. Concessions on Mortgage Loans are concerned only to mortgage loans allocated in accordance with requirements of Azerbaijan Mortgage Fund (hereinafter referred as AMF) under Central Bank of Azerbaijan Republic.

2.2. Amount of social mortgage loan shouldn't exceed 35 000 manat.

2.3. Social mortgage is allocating with the period from 3 year till 30 year.

2.4. Annual interest rate on social mortgage shouldn't exceed 4%.

2.5. Following persons has the rights of using social mortgage loans:

2.5.1 Following persons who are member of young family:

- Member of martyr families (husband\wife, children);
- National Hero (himself\herself, husband\wife, children);
- Refugee or person equal to him\her;
- Person employed in state entities for more than 3 years;
- Person with academic degrees of candidate of science or doctor;
- Person with special achievements in sports (honorary physical and sport trainers, winner of competitions within country (I place), persons rewarded in international competitions (I, II and III places);

2.5.2 Military workers employed in Ministry of Defense of Azerbaijan Republic, Ministry of National Security of Azerbaijan Republic, Internal Forces of Ministry of Internal Affairs of Azerbaijan Republic, State Border Services of Azerbaijan Republic and Special State Protection Services of Azerbaijan Republic more than 3 years (except military workers serving on call-up period).

2.6 Every family (person) who is entitled to use social loans can use these concessions only one time.

2.7. Social mortgage loans is allocating by means of amount allocated from state budget.

3. Allocation of concessions on mortgage loans

3.1. Person desiring to get social mortgage loan (Borrower) applies to authorized loan organization and traverse initial evaluation in accordance with defined common order.

3.2. Borrower applied to authorized loan organization should provide documents confirming his/her connection to social category.

3.3. Authorized loan organization views application in accordance with rules and requirements of AMF.

3.4. If authorized loan organization decides to allocate mortgage loan with concession terms, it allocates social mortgage loan in accordance with legislation and applies to AMF for refinancing.

4. Final regulation

Problems which are not solved with these Rules are regulated with other normative deeds of AMF and legislation of Azerbaijan Republic

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