



Premises Loan in USD (Subsidized by BDL)		Audi USD & LBP Premises Loan
Loan Condition		
Purpose	Purchase, expand or construct business premise (real estate trade and land purchase are not permitted)	Purchase, expand or construct business premise (real estate trade and land purchase are not permitted)
Covenant	<ul style="list-style-type: none"> - Premise subject of financing should not be previously or currently rented by the borrower - Premise subject of financing should not be owned by parents, siblings, any relative or extended family of the borrower - Borrower should be the owner or one of the owners of the property subject of the loan - Loan cannot be granted for land purchase or real estate trade - 15% penalty will be applied in case the loan purpose or covenant is misused - Loan tenure extension (rescheduling) is not permitted 	<ul style="list-style-type: none"> - Borrower should be the owner or one of the owners of the property subject of the loan. - Premise subject of financing should not be owned by parents - Loan cannot be granted for land purchase or real estate trade - Loan tenure extension is permitted in case of balloon payment exists but not cannot exceed 10 years after extension
Accepted Property Type	Finished, for construction and under construction (approved developer)	Finished, for construction and under construction (approved developer)
Loan Amount	Minimum: USD 20,000. Maximum: depending on client's repayment capacity	Minimum: USD 25,000. Maximum: depending on client's repayment capacity
Currency	USD	USD / LBP
Tenure	Minimum: 1 year. Maximum: 10 years	Minimum: 6 months to Maximum: 7 years. Tenure can be extended by 3 supplementary years in case of balloon payment at 7 th year to reach maximum 10 years after extension
Debt Coverage Ratio (DCR)* <i>Max. Ratio of Net Income</i>	Total long term monthly installments should not exceed 30% to 40% of the net income of client	Total long term monthly installments should not exceed 30% to 40% of the net income of client
Debit Due Date	2 nd of each month	2 nd of each month
Grace Period	6 months (added to loan tenure)	N/A
Guarantee	Personal guarantee is required from partners or key person(s) in case of company or partnership	Personal guarantee is required from partners or key person(s) in case of company or partnership
Collateral	First degree mortgage of premise subject of financing	First degree mortgage of premise subject of financing
Minimum Down Payment	Finished: varies between 25% to 30% depending on client annual turnover Under construction: 35%	Finished: 25% to 30% depending on client annual turnover Under construction: 35%
Loan to Value	Finished: 70%-75% of premise appraised value or premise price (whichever is less) Under construction: 65% / For construction: 60% of construction cost	Finished: 70%-75% of premise appraised value or premise price (whichever is less) Under construction: 65% / For construction: 60% of construction cost
Repayment Method	Equal monthly installments	Equal monthly installments
Interest and Charges		
Loan Interest Rate	Up to 10 years including grace period: 40% CD 7 years + 1.5% + 100% FFR (currently 5.40%) Above 10 years including grace period: 40% CD 10 years + 1.5% + 100% FRR (currently 5.60%)	Interest Rates
		Tenure < 7 years
		USD: BRR + 1.5% Currently 8.32% Floor 8%
		LBP: BRR + 1.5% Currently 12.15% Floor 9%
		Tenure > 7 years
		USD: BRR + 2% Currently 8.82% Floor 8.5%
		LBP: BRR + 2% Currently 12.65% Floor 9.5%
		If special payment plan (not equal MP) + 0.5% interest rate
		Reduction on Interest Rates (floor: 8% USD, 9% LBP)
		For TransAct Packages Holder (after 1 yr of enrollment)
		If annual business routing >75% → - 0.5%
		In case of collateral
		-1%
Interest Type	Floating interest of compounded nature	Floating interest of compounded nature
File Fees	N/A	Transaction package holders: 0.3% of net loan amount (max USD500) Non-Transaction package holders: 0.4% of net loan amount (max USD500)
Management Fee (HOC)	N/A	0.2% quarterly
Real Estate Fees	Finished: USD250, Under construction: USD700 or Construction: USD1,000	Finished: USD250; Under construction: USD700; For construction: USD1,000
Late Penalty Interest	Additional 2% applicable on the unpaid balance	2% applicable on the unpaid balance
Late Penalty Fees	USD50 on each installment applicable after 7 working days of unpaid due	USD50 on each installment applicable after 7 working days of unpaid due
Early Closure Fees	As per BDL conditions + (2% on the outstanding balance)	2% on the outstanding balance
Stamps	LBP 10,000/year in case of under construction	LBP 10,000/year in case of under construction
Notary Public and Public Real Estate Fees	Mortgage registration: 1.5% of mortgage value Mortgage release: 1.05% of mortgage value	Mortgage registration: 1.5% of mortgage value Mortgage release: 1.05% of mortgage value
Insurance Details		
Life Insurance**	105% coverage of the total outstanding balance. Premium paid monthly	105% coverage of the total outstanding balance. Premium paid monthly
Fire Insurance on Property***	100% coverage of the real value covering the premise and its content	100% coverage of the real value covering the premise and its content

Example of APR calculation and life insurance monthly premium (Audi USD & LBP Premises Loan)

Amount	Currency	Tenure	APR	Maximum Yearly Premium****
200,000	USD	84	11.28%	USD 95
300,000,000	LBP	84	15.70%	LBP 155,000

Example of APR calculation and life insurance monthly premium (Premises Loan Subsidized by BDL)

Amount	Currency	Tenure	APR	Maximum Yearly Premium****
200,000	USD	120	6.57%	USD 169

*DCR=30% for clients with annual turnover<USD100,000, DCR=35% for client with annual turnover between USD100,000 and USD500,000, DCR=40% for client with annual turnover between USD500,000-USD2,000,000

**Life insurance is calculated based on the outstanding balance for the total credit facilities (105%) over the full period of the loan and endorsed to the Bank as first beneficiary. It should be issued by an insurance company from the approval list. Insurance amount will not be included in the loan; it will be debited on a monthly basis from client's settlement account.

***Fire insurance on property covering 100% of the real value of the premise subject to the loan (construction value and content), paid in cash on a monthly basis at loan anniversary. Insurance covers the premise against any damage resulting from fire, explosion, earthquake, or neighbor's recourse. Any additional reason for damage will bear an additional cost to the premium.

****The Life insurance monthly premiums decrease in parallel with the decrease of the loan's outstanding balance.

This product suits my needs, requirements and financial capabilities after taking notice of all its specifications, features and the risks that result and/or might result from signing this document. Bank Audi reserves the right to modify the Terms & Conditions, after notifying the customer.

This product fits our client's profile, based on his/her: (1) Personal statement and CDR Report (2) Account activity, financial power, and relationship with Bank Audi (3) Social status

Date _____

Customer Name/ID _____

Employee Name _____

Manager Name _____

Customer Signature _____

Employee Signature _____

Manager Signature _____