

HOME EQUITY LOAN PRE-CONTRACTUAL INFORMATION FORM

Items	Description
Introduction	This document is not a mandatory legal offer. Presented confidential figures are a reliable presentation of the bank products that will offer due to current market terms and conditions, based on given information. However, these figures can fluctuate according to the market conditions. Giving the information does not intend that the bank is obliged to provide loan.
1. Bank	BANKA KOMBETARE TREGTARE (BKT) SH.A Address: Blv "Zhan D'Ark", Tirana Website: www.bkt.com.al E-mail: info@bkt.com.al Telephone: 042 266 288
2. Product name	Home Equity Loan
3. Loan Type	Loan secured with mortgage of a real estate
4. Purpose of product	The aim of the Home Equity Loans is to fulfill the personal needs of the clients, for: loan for buying professional equipment, House furniture, Education, Health, Vacation, purchase of a used car, the buying of a debt from other banks ore other purposes declared that aren't in contradictions with the bank credit policies. From this product can profit not only individuals but the self-employed professional (doctors, dentist, druggist, lawyers etc) as well.
5. Product description	This product will be used for the purpose foresight in point 2 and as guarantee the bank will ask mortgage of a real estate. The appraisal report of the mortgage will be prepared by independent appraisal authorized from the bank and this expense will be covered by the applicant. In any case the immediate liquidation value should cover the loan amount at 166%. The loan repayment will be performed by equal monthly installments (principal + interest) due to the repayment schedule and not as a lump sum payment at the end of the maturity. The bank may finance up to 100% of the expenses.
6. Interest rate (shows interest rate type and duration of the define period)	T-bill 1y +3.5% (not less than 5.8% after 24 months) The offered interest rate is changeable according to the change of 1-year T-Bills every 12 months of the loan. The applicant will be informed via phone calls, e-mail or mail for any amendments or changes on loan terms and conditions. <i>The customers may choose either to have a life insurance or to accept a higher interest rate. In case the customer chooses not to have a life insurance, options are:</i> - If the customer is up to 45 years old, interest rate of the loan will be 0.5% higher than the interest rate applied to respective category. - If the customer is over 45 years old, interest rate of the loan will be 1% higher than the interest rate applied to respective category <i>In these cases the interest will change to:</i> T-bill 1y +4 % (not less than 6.3% after 24 months) or T-bill 1y +4.5 % (not less than 6.8% after 24 months)
7. Effective interest rate	The effective interest rate (EIR) defines the total cost of the loan including interests, commissions and any other expenses that the customer will afford for

	<p>the loan according to the conditions mentioned in loan agreement. In order to calculate EIR, in the total expenses amount are not included expenses that are unknown at the moment of EIR calculation, dues to be paid from the customer for not fulfilling the Loan Agreement conditions, expenses to be paid from the customer to third parties (for ex. Notary fees, Real Estate Registration Office fees, Pledge Register fees, based on specific documents) and any other general expenses raised for the registration and guarantees, expenses for the insurances and / or guarantees that are not obligatory, expenses from the commissions applied on the unused loan amount and expenses from the commission applied for change of the contractual conditions.</p> <p>The EIR will be calculated assuming that:</p> <ul style="list-style-type: none"> - The Loan Agreement is valid for the set maturity - Parties fulfill their duties according to the conditions and dates agreed in the Loan Agreement and - The interest percentage and the other expenses included in the EIR calculation remain unchanged until the end of the Loan Agreement. <p>The customer will be informed on the approximate value of EIR at the application moment and also on the exact value of EIR at the loan disbursement (with the Payment Plan Annex).</p> <p>After the loan disbursement the applicant will be furnished with the Payment Plan Annex where will be specified in percentage the Effective Interest Rate (EIR), referring to the base rate (1 year Treasury Bill) according to the market conditions at the loan disbursement moment.</p>
<p>8. Loan amount and its currency</p>	<p>Maximal Loan Amount – up to ALL 6,000,000</p>
<p>9. Loan contract maturity for home equity loan</p>	<p>Home Improvement Loan – up to 10 year (or 120 months)</p>
<p>10. Disbursement of the loan</p>	<ul style="list-style-type: none"> - As condition for loan disbursement, the borrower should open one or more current accounts at Banka Kombetare Tregtare, named "Loan account", where the bank will disburse the funds and through which will be repaid the loan. - Withdrawal of the loan will be through one of the manners: Cash withdrawal, withdrawal through electronic channels, through a cheque issued by the customer himself, through payment-order given in written in favor of third parties. - If during the loan disbursement the bank notice that the Borrower has not respected the terms and conditions foreseen in the loan contract signed by parties, the Bank has the right to cancel the loan contract that will be followed with the return of the used funds (principal) up to that moment and the respective interest rate.
<p>11. Number and frequency of loan installments</p>	<p>The loan repayment will be performed on equal monthly installments. The number of installments varies due to the maturity of the loan.</p>
<p>12. Number and frequency of loan installments</p>	<p>Installment = Principal amount + interest amount</p>

13. Repayment schedule (repayment plan)

Loan Terms and EIR calculation Table

Loan Amount	2,000,000	ALL
Loan Tenor	120	Months
Disbursement Commission	-	%
Age of the Customer	45	Years Old
With Life Insurance	Jo	
Life Insurance Premium (~ 0.45%-0.65% of the loan amount)	20,000	ALL
Property Insurance Premium (~ 0.07%-0.15% of the loan amount)	30,000	ALL
Base Rate (T-Bill 1y)	2.29	%
Spread	3.50	%
Interest Rate in the first 24 months (floating each 12 months according to Base Rate Spread)	5.79	%
Interest Rate after the 24th installment*	6.30	%
Installment Amount (in the first 12 months)	21,993.77	ALL
Installment Amount (after the 24th installment)*	22,413.04	ALL
Total Amount paid at the loan maturity (Principal + Interest)	2,679,502.87	ALL
Effective Interest Rate (EIR)	6.66	%

* The installments calculation after the 24th installment is based on the Base Rate in force in the actual month.

Repayment Plan Table

Month	Opening balance	Interest Amount	Principal Amount	Installment Amount	Closing Balance
1	2,000,000.00	9,650.00	12,343.77	21,993.77	1,987,656.23
2	1,987,656.23	9,590.44	12,403.33	21,993.77	1,975,252.90
3	1,975,252.90	9,530.60	12,463.18	21,993.77	1,962,789.72
4	1,962,789.72	9,470.46	12,523.31	21,993.77	1,950,266.40
5	1,950,266.40	9,410.04	12,583.74	21,993.77	1,937,682.67
6	1,937,682.67	9,349.32	12,644.45	21,993.77	1,925,038.21
7	1,925,038.21	9,288.31	12,705.46	21,993.77	1,912,332.75
8	1,912,332.75	9,227.01	12,766.77	21,993.77	1,899,565.98
9	1,899,565.98	9,165.41	12,828.37	21,993.77	1,886,737.61
10	1,886,737.61	9,103.51	12,890.26	21,993.77	1,873,847.35
11	1,873,847.35	9,041.31	12,952.46	21,993.77	1,860,894.89
12	1,860,894.89	8,978.82	13,014.96	21,993.77	1,847,879.94

The revision of the base rate, in this case of the Treasury Bill is done every 12 months of the loan, thus the revision of the interest rate will be done each installment date that will be a multiple of 12 until the last year of loan maturity.

This is an illustrative table and the installments calculation after the 24th installment is based on the Base Rate in force in the actual month.

14. Additional costs irreversible in cases when they are applicable

Expenses for the appraisal report (varies from ALL 7,500- ALL 30,000 based on type of property to be evaluated)
The expense mentioned above is categorized like expense before the approval and is covered from the applicant, regardless the final decision. This expense can not be avoided from the applicant. This service it's not offered from the bank but from the authorized experts.

15. Other additional costs

Type of expenses	Value
------------------	-------

	Notary Expenses	ALL 3,800 / per Loan Contract and starting from ALL 2,600 up to ALL 7,400 for Mortgage Contract)
	Life insurance premium	~ 0.45%-0.65% of loan amount (depends on the value of the loan, age and gender of the applicant)
	Mortgage Expenses	starting from 7,800 ALL up to ~ ALL 15,000 Depends from the kind of the property and the value of the loan.
	Collateral insurance premium	~ 0.07%-0.15% of loan amount (depends on the loan value, type and location of property)
	Disbursement commission	1.5 % of the loan value for new costumers 1% of the loan value for the existing client and debt purchase from other banks 0% Purchase of Loan from other banks (only in cases when the contract of the loan to be purchased contains early repayment commission.)
	<p>The above mentioned loan origination related costs are considered as post approval loan application costs. These costs are inevitable and mandatory for the applicant before the disbursement date. The expenses of mortgage, notarization of the loan contract and the commitment commission will be paid only at start; meanwhile the prime of life insurance, property and life will be repeated on yearly basis.</p>	
<p>16. Prepayment (if applicable)</p>	<p>The Bank will accept early repayments, partial liquidation (not less than the amount of 1 monthly installment) or total liquidation on the condition that the Borrower should pay all the accrued interests plus 1 (one) day interest, as well as the value of an extra administrative cost of 2 (two) % over the principal amount paid in advance, in case the early repayment is done more than 1 year prior to the maturity date and 1 (one) % over the principal amount paid in advance, in case the early repayment is done during the last year of the loan.</p>	
<p>17. Formal notifications between parties</p>	<p>All the notifications, communications between parties will be done in a written form and submitted direct to the customer or sent by priority mail at address specified on the Loan Agreement, or whenever it is possible through a consistent communication mean (e-mail specified on the Loan Agreement, floppy disc, CD-ROM, DVD, mail box)</p> <p>The Borrower declares and agrees that all the notifications sent to the specified addresses will be considered received from him/her. The Borrower may submit his/her complains to the Bank regarding the received notifications within a period of 15 calendar days.</p> <p>The Borrower is obliged to notify the Bank for any changes in his/her addresses within 15 calendar days of the change. As long as he/her has not given notice on the new address, the Borrower does not have the right to deny the notifications sent to the previous address.</p>	
<p>18. Right to withdraw from the</p>	<p>Borrower has the right to withdraw from the loan agreement within 7 days. This period starts from the date when the loan agreement is signed. In cases when</p>	

Loan Agreement	the loan amount is disbursed in the customer's account and the latter exercises his right to withdraw from the loan agreement, then the borrower accepts and commits to repay the principal and all due amounts for interests and/or penalties, as well as other possible expenses of the bank created with third parties with the aim of disbursing the funds. If the Borrower withdraws from the Loan agreement, the Co-Borrower and the Surety will as well withdraw from the Loan Agreement or will withdraw the guarantees offered for the Agreement execution.
19. Claiming forms	<ul style="list-style-type: none"> - Written letter near any branch - Visits near every branch - Via telephone (+355 42 266 288) call center - Through electronic mail: info@bkt.com.al
20. Other Penalties	<ul style="list-style-type: none"> - If the bank finds that the customer has not used the loan for the stated purpose it may ask for the total liquidation of the outstanding loan amount and accumulated interests or otherwise if it finds appropriate it can apply a commission of 1% over the disbursed loan amount. - If the borrower fails to pay commission and interest, the bank has the right to charge a commission of 4 (four) % in ALL on monthly basis over the unpaid commissions and interest amounts. - If the borrower cannot pay in time the matured installment (interest or principal), the Bank apart of the normal interest rate, has the right to apply a penalty of 4 (four) % in ALL on monthly basis, calculated on the unpaid due installment (inters + principal) for the period in which he is in delay, based on terms and conditions of this contract. <p>Penalty Calculation: Due Amount x Penalty Rate% x 12 months/ 360 days x days in arrears</p>
21. Validity Period of Pre-Contractual Information	The Period of Validity of the Pre-Contractual Information is 7 (seven) calendar days starting from the date that the customer has signed this form.

_____/_____/_____/_____
 (City, dd,mm,yyyy)

 Customer: Name Surname
 (Signature)