

Dear customer

Thank you for your interest in applying for an apartment building renovation loan at SEB Bank.

We have put together for you a list of the main steps of renovating an apartment building and applying for a loan.

To ensure you do not have to worry about issues related to a bank loan during the busy period of renovation works, we recommend consulting the bank at the beginning of the planning of the renovation works. We want to be there for you in the initial phase of the renovation project – we will be happy to advise you on the submission of the documents required for the loan application and concluding the agreement. We understand that people want more information about financing options for renovation work. We can first prepare a sample loan offer, in which we explain our requirements for the project and indicate the approximate loan payment.

Please answer the following questions for an indicative offer

- Has the apartment association carried out any renovation work in the past two years? Which work and how much did it cost?
- What kind of work does the apartment association want to finance with the loan? Do you know the cost of the work, the amount of self-financing, and the loan period?
- General information about the apartment association (number of apartments, size of living space, repair fund, etc.).
- Is it also planned to change the amount of the payments to the repair fund in connection with the loan taken for the performance of works and what will the planned payment be?
- Does the apartment association currently have any other loans?
- Does the apartment association have debtors who have been late with payments for more than 30 days and how has the association dealt with them?

NB! The indicative offer is not binding. In order to receive a more detailed offer, please submit a loan application on the website of SEB or in the Internet Bank together with the renovation project documentation.



We have put together a list of the main steps that will help make the planning of the renovation work of your apartment association smoother.

Steps to plan renovation work:

- If necessary, order an energy audit or a report assessing the technical condition of the building.
- Ask for quotes to find a builder and the person exercising owner supervision.
- Discuss loan terms with our client executive and ask for a sample offer.
- Organise a general meeting on carrying out renovation work and applying for a bank loan.
- If necessary, order a construction project and apply for a building notice.
- Submit a loan application to the bank together with additional documentation.
- We will make you a personal loan offer (if necessary, we will ask for additional information and documents).
- Conclude the loan agreement and the contract for services (with the construction company and the person exercising owner supervision). NB! In addition to the price, ask about the experience, background, financial capacity, and warranty conditions of the contractor.
- Conclude an insurance agreement for the apartment building.
- We will sign a loan agreement with you*.

* Loan disbursements take place after self-financing on the basis of construction invoices and the instruments of delivery and receipt for the work; prepayment invoices are generally not financed by the bank. A current account with SEB Bank is required for concluding the agreement.

It is possible to apply for a guarantee from KredEx as collateral for the loan. The bank organises the application for the guarantee. Our customer executive can give advice on the need for a loan guarantee from KredEx after reviewing the documents submitted by you.

Documents required for the loan analysis:

- Completed loan application in the Internet Bank or on the website of SEB.
- Current account statement (if the apartment association uses another bank).
- Minutes of the general meeting of the apartment association on taking a loan in accordance with [the template of the bank](#), in addition to the registration form and credentials of the participating members, and the agreements of the co-owners on representation.
- Extract from the land register of apartment owners.
- Report for the previous financial year (in addition to the cash flow statement for the last six months when applying for a guarantee from KredEx).
- **Management plan** which reflects the payments of the loan, the repair fund payments, self-financing, as well as the cost of the planned construction works and the loan amount.
- Report on apartment owners who have been late with payments for more than 30 days.
- Evidence/invoices from major service providers showing the apartment association does not have any debts.
- If necessary, a report on the inspection of the technical condition of the building, an expert examination, or an energy audit.
- At least two comparable offer for the renovation work.
- Where applicable, a building notice or permit.
- In the case of energy-saving work, the existing energy label and the calculated new energy label.
- The decision of KredEx to issue a guarantee (if the loan is applied for with guarantee from KredEx).

If you have any questions:

do not hesitate to contact our customer support at **+372 665 5100**

write to **info@seb.ee**

or send us **a letter from the Internet Bank** under the menu item 'Contact' -> 'Letter to bank'.

We hope that the guide will help your apartment association in applying for financing for renovation work.

Your SEB