**Frequently Asked Questions**

**1. Question: What preferential loans does the NBU provide to young entrepreneurs at the present time?**

Answer: If you are a first-time entrepreneur and are in the age category from 18 to 30 years old, the NBU of the Republic of Uzbekistan can provide you a 14% annual preferential loan in accordance with Presidential Decree No. 6260 dated July 13, 2021, to finance innovative, start-up and business projects developed on the basis of innovative ideas of young people. The loan term is 7 years, grace period is up to 3 years. The loan amount is equivalent to USD 100 thousand. You can pass training courses organized for young entrepreneurs. Contact the Chamber of Commerce and Industry for this purpose. Phone of the Chamber of Commerce and Industry: (78) 150-60-06. After receiving the Certificate, you may contact our bank branches.

**2. Question: Should I pay for the training courses of the Chamber of Commerce and Industry?**

Answer: Detailed information about the Chamber of Commerce and Industry, as well as about the training courses you can get by calling 78-150-60-06.

**3. Question: Where should I go to establish a new business?**

Answer: You should contact the Center for Public Services ("Single Window"). You should have the Charter, and then you can pass the state registration of the enterprise and receive the Certificate of Incorporation.

**4. Question: What documents are required to obtain a loan?**

Answer: Constituent documents (Charter, Certificate of Incorporation). You may submit to a bank branch your business plan, collateral documents and other loan documents.

**5. Question: What can be used as collateral for a loan?**

Answer: High Liquidity Collaterals (non-residential premises, real estate), insurance policy, or third parties' guarantee.

**6. Question: Are there any limitations for the amount of loans provided to finance innovative, start-up and business projects based on ideas of young people?**

Answer: The amount of the loan provided to finance innovative, start-up and business projects based on ideas of young people makes the amount from a 1,000-fold base calculated amount (UZS 245 million) up to USD 100 thousand.

**7. Question: I have a desire to be engaged in entrepreneurship, but I have no experience and a project plan. What can you advise?**

Answer: You can contact the Project Factory, where the specialists will surely prompt and help you. The project factory was opened in the branches of the National Bank of the Republic of Uzbekistan in Samarkand, Navoi, Jizzakh, Surkhandarya, Fergana regions, as well as in Tashkent.

**8. Question: Can you provide me with information about the loans provided for the entrepreneurial activity at the Youth Industrial and Business Area in accordance with Presidential Decree No. 5088 dated April 21, 2021?**

Answer: We have loans to finance projects at the Youth Industrial and Business Area. Loans are provided in the equivalent of USD 100 thousand in national currency at 14% per annum, in foreign currency at 3% per annum for a period of 7 years, with a grace period of 3 years.

**9. Question: For what types of business can I get loans under the projects implemented at the Youth Industrial and Business Area?**

Answer: Loans are provided in such areas of industry and production as processing, storage and conservation of fruits and vegetables, agricultural products, modern production of textiles, footwear and leather goods, pharmaceuticals, food, electrical engineering, mechanical engineering, production of modern building materials, development of crafts and information and communication technologies and other areas.

**10. Question: What kind of collateral should I submit to get loans to finance projects at the Youth Industrial and Business Area?**

Answer: The Entrepreneurship Support Fund can provide coverage for this loan in the amount of 50% of the total loan amount, but not more than UZS 500 mln.

Insurance companies with a state share of 50% or more in the share fund (capital) provide insurance policies in the amount of up to 50% of loans provided by commercial banks, but not more than UZS 500 mln., at a rate of 2%.

**11. Question: Is it advisable to use the grace period for loans provided on preferential terms for the development of youth entrepreneurship?**

Answer: Undoubtedly, it is effective to use the grace period, since during this period the borrower only pays out the loan interest.

**12. Question: Will a penalty be charged for late payments for a loan?**

Answer: During the 3-year grace period, only the interest on the loan provided on preferential terms shall be paid. Starting from the 4th year, the principal amount of the loan and its interest shall be paid. In case of late payment of the loan, a penalty shall be charged for each day of delay.

**13. Question: How is the penalty calculated?**

Answer: Penalty is charged at the rate of 0.3% for each day of delay, but not more than 50% of the total loan amount.

**14. Question: How many days does the bank grant a loan after the submission and registration of documents for a loan?**

Answer: After submitting the documents requested by the bank, the documents shall be studied within 5-10 working days, and if the documents meet the requirements of the bank, a loan shall be provided soon.

**15. Question: Is it possible to get a loan on preferential terms for individual entrepreneurs who are from 18 to 30 years old?**

Answer: Loans for the development of entrepreneurship of young people are provided only to young entrepreneurs who have the status of a legal entity.

**16. Question: Can I re-register the loan provided to my company in the name of my relatives?**

Answer: The loan provided for your company cannot be re-registered in the name of your relatives.

**17. Question: How many days after the full repayment of the loan the pledged property shall be removed from the ban?**

Answer: A statement for full repayment of the loan is submitted which the bank studies within 3 working days.

**18. Question: What processes should a borrower have before applying for a loan in accordance with Presidential Decree No. 5088?**

Answer: A young entrepreneur shall apply to the bank after registering on the platform fursatloyiha.uz and purchasing a land plot in the Youth Industrial and Business Area.

**19. Question: Will the interest rate on the loan change if the base rate of the Central Bank changed after the loan was provided?**

Answer: Such changes are usually specified and discussed in the loan agreement between the borrower and the bank.

**20. Question: What stages should a borrower go through before applying for a loan in accordance with Presidential Decree No. 6260?**

Answer: If the client has the status of a legal entity, then s/he has the right to apply directly to the bank with a business project and primary documents. If the borrower is a start-up entrepreneur, s/he should contact the Chamber of Commerce and Industry (phone: (78) 150-60-06) for training courses. After obtaining the CERTIFICATE, s/he can apply to the bank with the primary documents.

**21. Question: Is it possible to get a preferential loan of up to USD 100 thousand, and then to take a commercial loan without preferences for an amount exceeding the specified amount?**

Answer: The Bank will certainly consider such a client's request, and, if it deems it necessary, will provide a loan as specified above.

**22. Question: Are preferential loans provided to clients who are already engaged in entrepreneurial activity and for those who have just started their own business?**

Answer: Yes, preferential loans are provided to all young entrepreneurs with the status of a legal entity who are from 18 to 30 years old.

**23. Question: For which projects are loans provided?**

Answer: The loan is provided for innovative, start-up and business projects.

**24. Question: Is it possible to replace collateral documents in accordance with Presidential Decree No. 5088 with liquid security?**

Answer: Collateral documents in accordance with Presidential Decree No. 5088 can be replaced with liquid security.

**25. Question: Do all branches of the NBU provide preferential loans for the development of youth entrepreneurship?**

Answer: All regional NBU branches in all regions, including in Tashkent city, provide preferential loans for the development of youth entrepreneurship.

**26. Question: In which regions are the NBU Project Factories located?**

Answer: NBU Project Factories have been opened in Navoi, Samarkand, Jizzakh, Surkhandarya, Fergana regions and in Tashkent city.

**27. Question: What is the basis for providing the land for the development of entrepreneurship in the Youth Industrial and Business Area?**

Answer: Land for the development of entrepreneurship in the Youth Industrial and Business Area is provided through an auction on the fursat loyiha website.

**28. Question: My business plan is designed to receive a loan in the amount of UZS 180 mln. Is it possible to get a loan from the NBU for the development of youth entrepreneurship?**

Answer: The Bank provides loans to young entrepreneurs in the amount of not less than 1,000 minimum wages (245 million) and in the equivalent of not more than USD 100 thousand. You can apply to Microcreditbank or Halq Bank to get the required loan amount.

**29. Question: Can you describe the procedure for obtaining the status of a legal entity?**

Answer: After you register with the Center for Public Services with submitting all necessary documents to obtain the status of a legal entity, a Certificate of Incorporation confirming the status of a legal entity shall be issued to you.

**30. Question: What is the procedure for the payment of preferential loans to young entrepreneurs: is it the repayment of the loan in the fixed amount (annuity payment) or the reduction of the loan payment amount (differential payment)?**

Answer: Legal entities shall repay the loan only in the order of reduction of the loan payment amount (differential payment).

**31. Question: Is it possible to get a loan from the NBU if a first-time entrepreneur has the main account in another bank?**

Answer: A preferential loan can be provided to a first-time entrepreneur if his/her main account is the NBU.

**32. Question: What is the percentage of the collateral on a loan provided to a young entrepreneur in accordance with Presidential Decree No. 6260?**

Answer: The percentage of collateral for a loan to a young entrepreneur should be 125% of the total loan amount.

**33. Question: Is it possible to obtain a loan from the NBU if the business plan of a young entrepreneur was developed at the Project Factory with other commercial banks?**

Answer: Yes, a young entrepreneur can form his/her business plan based on his/her capabilities.

**34. Question: Can loans be provided to young entrepreneurs who do not have a CERTIFICATE of the Chamber of Commerce and Industry?**

Answer: Yes, but the certificate provides an additional opportunity, including learning how to organize entrepreneurship, risk management, the formation of new ideas, financial literacy.

**35. Question: Is it possible to get a loan in foreign and national currency?**

Answer: A loan can be provided in foreign currency is provided for a period of 7 years with a grace period of 3 years at 3% per annum or in national currency for a period of 7 years with a grace period of 3 years at 14% per annum, depending on the type of a loan.

**36. Question: Does a young entrepreneur have the right to receive a preferential loan if s/he has already received another type of loan?**

Answer: In such cases, the bank shall check the balance of the loan received by the client and the status of its repayment, and, if necessary, can provide a preferential loan to the client.

**37. Question: Does the client have the right to receive additional preferential loans in case of his/her bad credit history?**

Answer: If the borrower has a bad credit history, no loans shall be provided.

**38. Question: What is the minimum amount of a preferential loan for the development of entrepreneurship in the Youth Industrial and Business Area?**

Answer: There is no minimum amount of a preferential loan for young entrepreneurs in the Industrial and Business Area.

**39. Question: When should contracting agreements be provided to a bank when receiving a preferential loan: before or after receiving a loan?**

Answer: You must provide a contracting agreement before receiving a loan.

**40. Question: I am registered as a business entity in one of the regions, am I entitled to receive a preferential loan for the development of entrepreneurship in the Youth Industrial and Business Area of another region?**

Answer: You have the right to receive a preferential loan for the development of entrepreneurship in the Youth Industrial and Business Area belonging to the region where you are registered as a business entity.

**41. Question: I want to get a certain amount of the loan, can you calculate this amount?**

Answer: Please contact the specialists of the NBU Loan Department or use a credit calculator on the official website nbu.uz.

**42. Question: Is it possible to replace the loan collateral?**

Answer: The loan collateral can be replaced by another type of collateral, which is able to cover the current loan balance if the borrower has partially fulfilled his/her obligations under the loan or for any other reason. In this case, the bank must consider and agree to accept new security as collateral.

If the borrower wants to withdraw the collateral security for the purpose of selling it or for another reason, with the consent of the creditor bank (commercial bank), s/he has the right to change it for another collateral equal to the amount of the previous collateral.

**43. Question: What is the procedure for repaying a loan?**

Answer: The loan agreement between the borrower and the bank must include the term of the loan, the method of its repayment, and other conditions.

**44. Question: Does the NBU provide preferential mortgage loans for young families and what is the procedure for their receipt?**

Answer: According to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 394 dated June 28, 2021 on Additional Measures for the Construction of Houses For Youth in 2021-2023, a mortgage loan is provided for purchasing young families housing at 14% per annum. You can get a subsidy from the state budget for a period of 20 years with a grace period of 6 months for an initial payment of 10% of the cost of housing, and a subsidy for interest accrued during the first 3 years for more than 7% of the cost of a mortgage loan.

**45. Question: Who is eligible for a preferential mortgage loan?**

Answer: Preferential mortgage loans are provided to persons (who are married) under the age of 31, who have proven themselves in art, literature, sports and other areas, who serve as a special example in the working society, who need to improve their living conditions and are able to pay off the loan.

**46. Question: What is the maximum amount of a preferential mortgage loan and what is required for collateral?**

Answer: The maximum size of a preferential mortgage loan: UZS 238.0 mln. in rural areas for housing up to 70 square meters; UZS 309.4 mln. in cities for housing up to 70 square meters; up to UZS 339.15 mln. in Tashkent for housing up to 70 square meters. The purchased housing acts as collateral.

**47. Question: Does the NBU provide loans to finance projects for the development of the service sector?**

Answer: In accordance with the Decree No. 5113 of the President of the Republic of Uzbekistan dated May 11, 2021 on Measures to Accelerate the Development of the Service Sector, the bank provides loans to finance projects in the service sector. This type of loan is provided to business entities operating in the service sector. The loan amount can be up to UZS 2 billion per business entity, the loan is provided for a period of 5 years at 14% per annum and a grace period of the loan is up to 1 year.

**48. Question: I am a 4th year student. I would like to get a student loan provided by the NBU. Could you tell me more about this type of loan?**

Answer: Student loans are provided to full-time students of higher educational institutions of the Republic of Uzbekistan. A loan is provided only to undergraduate students (Bachelor's degree) enrolled in full-time studies.

1) Terms for undergraduate students (Bachelor's degree) enrolled in full-time studies:

 - 20% per annum for up to 3 years;

 - 22% per annum for up to 5 years;

2) For students enrolled in the Magistracy:

 - 20% per annum for up to 3 years.

Collateral must be at least 125% of the total loan amount:

- Property as Security;

 - Third-party guarantee;

- Insurance against the risk of loan default.

For loans up to the 100-fold base amount (currently UZS 24.5 mln.), third-party guarantees or insurance against the risk of loan default are accepted as collateral.

**49. Question: Who can get preferential student loans?**

Answer: Preferential student loans can be provided to students - citizens of the Republic of Uzbekistan, as well as students - citizens of the Republic of Uzbekistan, who were transferred to full-time education in the bachelor's and master's degrees at local universities on a paid basis.

In such cases, the student's close relatives (parents, brothers, sisters, spouses) or guardians can participate in the loan agreement as co-borrowers.

**50. Question: In what cases can an application for a preferential student loan be refused?**

Answer: A student loan is not provided to cover education at universities under contracts with terms of the differentiated payment and other one-time payments (super contract) equal to the minimum amount of a differentiated payment under the contract, as well as for evening and part-time studies. Also, student loans cannot be provided to pay for the study at higher education institutions that do not operate on the territory of the Republic of Uzbekistan or have not passed state accreditation, as well as to foreign citizens and stateless persons.

**51. Question: For how long is a preferential student loan provided?**

Answer: Preferential student loans shall be provided with reference to the student's period of study for a period of 7 years after completion of studies at the university. The loan is provided with a condition of repayment starting from the 7th month after the end of the 6-month grace period. Interest is accrued and paid after the funds are transferred to the educational institution.

**52. Question: What is the interest rate for a preferential student loan?**

Answer: Preferential student loans are provided at the base rate of the Central Bank (14% per annum at the moment). If the base rate of the Central Bank is reduced, then the interest rate on a student loan will also decrease in proportion to the interest rate. If the rate of the Central Bank increases, the loan rate will remain unchanged.

**53. Question: Who can receive preferential loans and what benefits are provided for preferential loans?**

Answer: To get a preferential student loan for children from families included in the Unified Register of Social Protection, collateral or guarantees are not required.

**54. Question: What documents are required to obtain a preferential student loan?**

Answer: The following documents are required:

a) application for a student loan;

b) a contract duly drawn up between a student and a higher educational institution for education on a paid contract basis and an invoice attached hereto. The contract must indicate the period of study and the amount of payment under the contract for one year;

c) a third-party guarantee of the 100-fold base amount (UZS 25.0 mln.), in case of excess, the collateral will be provided.

d) passport, ID-card and income statement of the guarantor and co-borrowers.

**55. Question: How many days is an application for a loan studied?**

Answer: The bank shall study the application of the borrower and all documents attached hereto within 5 (five) business days, then the contract shall be signed. If a decision is made to refuse to provide a loan, a letter shall be sent to the applicant with the reasons for the refusal.

**56. Question: What is the amount of the student loan?**

Answer: The loan amount is equal to the amount of the annual payment specified in the contract provided for by the borrower.

The loan amount for the next academic year is paid after signing an additional agreement to the loan agreement.

**57. Question: What is the procedure for allocation of a preferential student loan?**

Answer: The student loan shall be provided on the basis of a written request of the borrower from his/her credit account by transferring funds in the amount of the annual payment of the contract, distributed in 4 equal amounts, to the account specified in the contract or invoice of the higher educational institution.

At the same time, the first 25% of the stated amount of the contract is transferred annually by September 15, for second and subsequent year students - by October 1, at least 50% of the stated amount - annually up to January 1, 75% - annually up to April 1 and 100% - annually up to July 1.

In addition, on the basis of a written request from the borrower, the payment under the contract can be made for six months.

**58. Question: In what cases can a bank refuse to provide a loan to a borrower for the next payment of a student contract?**

Answer: If the borrower has an overdue debt on the payment of interest on the student loan, or the borrower regularly makes untimely payments on the loan, the bank has the right to stop the allocation of the loan.