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| **Application** |  |
| for rent guarantee for individual |  |

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| **Branch** |  |  | |
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| **Applicant** | |  | **ID no.** |
|  | |  | / |
| **E-mail address** | |  | **Phone / Mobile** |
|  | | | |

The above customer, as applicant for a guarantee, has applied for an irrevocable guarantee to be issued by Arion Bank hf. ID-No. 581008-0150 to the beneficiary as specified the terms below.

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|  | | | | |  |  |
| Name of beneficiary | | | | |  | **ID-No.** |
|  |  |  |  |  | | |
| **Address** |  | **Postal code** |  | **Place** | | |

TERMS OF GUARANTEE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Amount** |  | **Currency** |  | **Type of guarantee:**  Rental guarantee – rental duration + 30 days |  | **Guarantee valid until** |
|  |  |  |  |  |  |  |

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| According to (copy enclosed with application): | | | |  |
| Agreement dated |  |  | **Original** of guarantee will be sent to receiver by registered mail. | **Copy** of guarantee should be sent to: |
| Offer dated |  |  |  |  |
| Letter dated |  |  |  | **Name** |
| Other |  |  |  | **E-mail** |

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| Description of goods/services being guaranteed: |
| Additional instructions: |

A bank guarantee issued pursuant to this application shall be irrevocable and the Bank shall guarantee the payment to the beneficiary of the maximum guaranteed amount stated above. If the Bank pays the amount owed by the beneficiary under this guarantee it has recourse against the applicant. The applicant undertakes to promptly pay the amount paid by the Bank, if the due amount is paid according to this guarantee, plus interest and expenses, when so required by the Bank or according to an agreement thereon.

**This application is on two pages**

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| **Application** |  |
| for rent guarantee for individual |  |

Applicant ID-No.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ****Amount**** |  | ****Currency**** |  | ****Type of guarantee:****  Rental guarantee – rental duration + 30 days |  | ****Guarantee valid until**** |

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| The Bank’s fees and costs relating to the guarantee are paid in accordance with the Bank's rate list and shall be debited from this account: | **Bank** | **Code** | **Number** | **ID-No.** |

Arion Bank is authorized to debit the applicant's bank account no.     -  -     forthe entire amount owed and the applicant undertakes to have sufficient funds in the account to pay the amount owed, plus the Bank‘s fees and all costs relating to the guarantee. Penalty interest is calculated on the debt relating to the guarantee from the date of payment of the amount owed until the date of payment at Arion Bank in accordance with Article 6 (1) of Act No. 38/2001 on Interest and Indexation.

The undersigned applicant is aware than an agreement between the applicant and Arion Bank on the issuing of the requested guarantee does not come into effect until Arion Bank has formally approved the application.

The beneficiary shall inform Arion Bank in writing, while the guarantee is still valid, whether it is making a claim according to the guarantee and must also send a written description of the non-fulfilment on the part of the applicant. In all cases the beneficiary should provide a signed rental agreement between the lessor and the relevant lessee, as well as the original of the guarantee in the event that the lessor demand that the Bank effect payment in accordance with this guarantee.

Payment for unpaid rent will be made by providing a statement of unpaid due amounts both during the rental period and at the end of the rental period. The guaranteed amount decreases in direct proportion to the due amounts paid.

Payment of compensation shall be made if a written demand is received from the beneficiary plus the written consent of the applicant within the period of validity of the guarantee. If the beneficiary makes a claim but the beneficiary and the applicant disagree over liability to pay compensation, then payment of compensation shall only be made following an assessment of the rented property, and the beneficiary and applicant shall agree on a person to assess the property. If no agreement can be reached despite an assessment of the rented property, the case shall be referred to the housing affairs appeals committee within four weeks of the demand being made for payment of the guarantee, and the guarantee shall remain valid until a final decision is made on the liability of the applicant to pay compensation.

**Copy** of guarantee should be sent to:

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| **Name** |
|  |
| **E-mail** |

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| **Witnesses to date, signatures and financial competence of applicant**: |  | **Place and date** |
|  |  |  |
| **Name ID No.** |  | **Signature of applicant** |
|  |  |  |
| **Name ID No.** |  |  |

TO BE COMPLETED BY BANK

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | |  | |
| Pledge: | | Number | -  - | Amount: |  |  |
| Collateral securities: | | Number | -  - | Type of fee: |  |  |
| Directly enforceable Guarantee | | | CAD: | |  |  |
| Unsecured: | |  | Cred. conv. factor: | | 0,5 |  |
| Other: |  | | | | |  |
|  | |  | | | |  |

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| ****Approval**** |  | ****Approval of Arion Bank hf.**** |