

First Home Steps Account – Account Summary

Summary Box		
Account name	First Home Steps Account Issue 2	
What is the interest rate?	Gross* p.a. / AER† (Variable)	
	£1-£2,500	0.80%
	£2,501-£7,500	1.00%
	£7,501-£25,000	1.50%
	Interest is calculated on your daily balance and paid annually on 1st January every year. For balances eligible for the higher rates of interest, the higher rate will apply to the total balance when that day's interest is accrued.	
Can Principality change the interest rate?	<ul style="list-style-type: none"> • Yes, variable account rates could increase or decrease. • Customers will be given personal notification of any material reduction in interest rates a minimum of 14 days before the change takes effect. • To understand why rates may be reduced please refer to our Savings Terms and Conditions. 	
What would the estimated balance be after 12 months based on a £4,850 or £18,000 deposit?	Based on the assumption that no withdrawals are made and the rate does not change: £4,877.93 (based on an initial deposit of £1,000 made at account opening, followed by 11 monthly deposits of £350 made on the same day each calendar month). £18,137.23 (based on 12 monthly deposits of £1,500, the first being made at account opening and the remaining 11 on the same day each calendar month).	
How do I open and manage my account?	<ul style="list-style-type: none"> • This account can only be opened by individuals who do not, or have not previously, owned a property. • You must be aged 18 or over and a UK resident for tax purposes to open and operate this account. • Accounts can be opened in joint names, but are limited to one account per customer. • Open your account in branch or agency. • Multiple deposits can be made up to the maximum monthly deposit of £1,500. • Minimum balance is £1; the overall maximum balance is £25,000. The minimum balance must be maintained to operate the account. If the maximum balance is reached, only accrued interest can be added to the account. • You are not obliged to pay into the account every month. • On the fifth anniversary of opening your account, it will revert to our Instant Access Account (or nearest equivalent then available) and then the terms and conditions for that account will apply going forward. We will notify you before this happens. • Manage your account in branch, agency, by post, or online via secure message (subject to Your Account eligibility criteria, available when you click 'Register Now' at www.principality.co.uk/register). 	

First Home Steps Account – Account Summary continued

Summary Box	
Account name	First Home Steps Account
Can I withdraw money?	<ul style="list-style-type: none"> • Yes, you can make three withdrawals per calendar year, subject to the minimum balance. • Closure is permitted and will count as a withdrawal. • Please note that if you make a withdrawal that reduces your balance to a lower interest rate tier, we will not notify you of this.
Additional information	<ul style="list-style-type: none"> • If you complete on a Principality Building Society residential mortgage on your first home (please note that the property must be in England or Wales) after 12 months and within 5 years of opening the account, and your account remains open with at least the minimum balance, you may be eligible for a Celebratory Bonus of £500 (per mortgage) which will be paid into your First Home Steps Savings Account upon completion of the mortgage. Full terms and conditions for the Celebratory Bonus are available overleaf. • Service charges and costs may apply to your account. These are outlined in our Tariff of Charges. • In certain circumstances we may refuse an instruction to operate an account. These circumstances are outlined in the Savings Terms and Conditions. • If the total amount of interest you earn exceeds your Personal Savings Allowance then you may have to pay tax directly to HMRC. For more information visit www.gov.uk and search 'Personal Savings Allowance'. • Rates correct as at 04/06/2020.

* Gross is the contractual rate of interest payable before the deduction of income tax at the rate specified by law.

† AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest were paid and compounded once each year.

First Home Steps Account – Account Terms

- You must read these Account Terms (which include the relevant ‘Summary Box’) together with our Savings Terms and Conditions (“General Terms”) and any Account Specific Terms and Conditions which may also apply to this Account. If there is any conflict between these Account Terms and the General Terms, these Account Terms will prevail. In these Account Terms ‘you/your’ refers to the Account Holder(s) and ‘we/our’ refers to Principality Building Society.
- All mortgage applications are subject to status and applicants meeting the lending criteria applicable at the time of the application. Opening a First Home Steps Account (“the Account”) does not mean that you will be accepted for a Principality Building Society residential mortgage.
- The Account Holders must be aged 18 or over, a UK resident for tax purposes; and must not own or have previously owned a property.
- The Account can be opened as a Joint Account with a maximum of two Account Holders but this offer is limited to only one Account per customer.
- The minimum investment you are required to make in the Account is £1 and the maximum investment in any calendar month is £1,500. The initial deposit must be received within 5 business days of opening the Account.
- Deposits can be made by cash, cheque, transfer from an existing Principality account (subject to the terms of that account) or by faster payment from another UK Bank or Building Society.
- You can make multiple deposits in any calendar month provided the amount of £1,500 is not exceeded.
- You can continue to make deposits into the Account until you reach the maximum balance of £25,000. Once the maximum balance is reached, only accrued interest can be added to the account.
- The minimum balance of £1 must be maintained in order to operate the Account. The Account will be closed if the balance falls below the minimum balance.
- Your Account will mature on the fifth anniversary of the date on which it was opened (‘Maturity’).
- The interest rate applicable to the Account is a Variable Account Rate and may be varied in accordance with the relevant clauses of the General Terms. The initial interest rate will be the rate set out in the Summary Box on the day you open your Account that is applicable to the balance tier your deposit sits within.
- Interest is calculated on the daily balance, at the rate of interest that applies to the relevant tier your balance falls in when that day’s interest is accrued. Interest is added to the Account annually on 1st January. This means that interest will be calculated over the period for which it is actually invested and not the entire period of your Account.
- On Maturity, the Account rate and Account Terms for your Account will be the Variable Account Rate and Account Terms that apply to our Instant Access Account, or nearest equivalent then available.
- You can make three withdrawals in any calendar year subject to the limits set out in the relevant clause of the General Terms. Once you have made your third withdrawal you will be unable to make any further withdrawals until the next calendar year begins unless we make a material reduction to the interest rate (in which case you can either make a withdrawal, even if you have already made your permitted withdrawals in the calendar year, or close your Account).
- You may close your Account, but please note that closure counts as a withdrawal. If you have already made three withdrawals in the current calendar year you will not be able to close the Account until the next calendar year begins unless Account Term 14 applies.
- If you complete on a Principality Building Society residential mortgage (“the Mortgage”) to purchase your first home in England or Wales, after 12 months and within 5 years of opening your Account, and your Account remains open with at least the Minimum Balance you may be eligible for a Celebratory Bonus payment of £500 (“the Bonus”).
- Only one Bonus is payable into one Account per Mortgage. Please refer to full terms and conditions for Bonus for further detail on how the Bonus is paid.
- The Bonus will be paid into your Account within 21 days of completion of the Mortgage provided your Account remains open with at least the Minimum Balance. Please refer to full terms and conditions for the Bonus.
- The Account has limited availability and we reserve the right to withdraw it at any time and without notice.

First Home Steps Celebratory Bonus Terms and Conditions:

- Principality Building Society (“Principality”) is offering a £500.00 (five hundred pounds) Celebratory Bonus (“the Bonus”) to qualifying First Home Steps Account Holders who complete on a Principality Residential Mortgage (“the Mortgage”) to purchase their first home in England or Wales, after 12 months and within 5 years of the date of opening their First Home Steps Account (“the Account”).
- To qualify for the Bonus you must:
 - Complete on a Principality Mortgage to purchase your first home in England or Wales after 12 months and within 5 years of the date of your Account opening; and
 - Your Account must remain open (with a Minimum Balance of £1) when you complete on the Mortgage and until the Bonus is paid;
 - The Mortgage must have been applied for directly with a Principality Mortgage Advisor either in Branch or by telephone.
- Subject to Condition 2 above, only one Bonus will be paid and:
 - Only one bonus will be paid into a qualifying Account per Mortgage. If eligible for a Bonus, and you have a joint Account you will only receive one Bonus into that Account;
 - The Bonus will be paid into the Account within 21 days of completion of the Mortgage,
 - In instances of a Joint Mortgage, where both parties have had individual Accounts, the Bonus will be paid into the Account of the lead person named on the Mortgage,
 - In instances of a joint Account where the Account Holders do not apply jointly for a Mortgage, only the first Account Holder to successfully complete on a Mortgage will be eligible for the Bonus which will be paid into the Joint Account.
- The Bonus must be accepted as offered, is non-transferrable and not for resale.
- Principality reserve the right to change or withdraw the Bonus where we reasonably believe it is appropriate to do so in order to protect the overall interests of our Members, to meet the requirements of our Regulator or to reflect new or changed industry guidance or codes of practice. You will be contacted in writing should this occur.
- By accepting the Bonus you accept these Terms and Conditions.
- These Terms and Conditions and any dispute or claim (including non-contractual disputes to claims) in connection with or arising from the Bonus shall be governed by and construed in accordance with the laws of England and Wales.
- Promoter: Principality Building Society, Principality Buildings PO Box 89, Queen Street, Cardiff, CF10 1UA. Principality Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, reference number 155998.