

MORTGAGES

Mortgage Product Terms

1) Definitions

Here's what we mean when we use capitalised words in the Mortgage Product Terms and Product Acceptance Form.

Account – your mortgage account(s) with us and any of the accounts forming part of the Mortgage Contract.

Buy To Let Mortgage – any mortgage which is described and contains the words Buy to Let in Principality's Personalised Illustration.

Date of Change – the date the Interest Rate changes in accordance with clause 3.

Early Repayment Charge Period – the period of time during which an early repayment charge may apply, as specified in the Product Acceptance Form.

Early Repayment Year – this could be (a) the part-year from the Date of Change to 31 December, (b) each full calendar year (1 January to 31 December) that follows, or (c) the part-year from 1 January to the end of your Early Repayment Charge Period.

FCA Regulated Buy To Let Mortgage – a Buy to Let mortgage where Section 1 of the Personalised Illustration includes the statement: 'We are required by the Financial Conduct Authority (FCA) – the independent watchdog that regulates financial services to provide you with this illustration', and also contains the words 'Buy To Let' next to the words 'illustrated product'.

Interest Rate – the interest rate is applicable to your mortgage(s).

Maturity – the date where your fixed or discounted rate ends and your account moves onto our Standard Variable Rate (SVR).

Outstanding Balance – the amount you owe on your mortgage account(s) on 1 January in each Early Repayment Year. If your Date of Change falls in that year, we use the balance from 1 January of that year.

Overpayment – any payment you make in addition to your usual monthly contracted amount. This could be a lump sum or an extra regular payment, and it will be used to reduce your Outstanding Balance.

Property – the property described in the Mortgage Contract;

Receipt – Principality has received this form signed and dated by the borrower(s).

Standard Variable Rate – Principality's standard variable rate of interest which can go up or down.

2) When your interest rate may change to SVR

Principality shall have the right to change the Interest Rate to Standard Variable Rate if:

- a) the Mortgage Contract is not a **Buy to Let Mortgage** and the Borrower does not occupy the Property as their main residence or lets it or parts with possession of it or otherwise allows anyone to acquire rights or an interest in the Property without Principality's consent; or
- b) the Mortgage Contract is a Buy To Let Mortgage, other than a FCA Regulated Buy To Let Mortgage and the Borrower allows the Property either to be occupied by their partner (or any person of either gender who lives with the Borrower and has the characteristics of the relationship between husband and wife), parent, brother, sister, child, grandparent or grandchild to occupy the Property without Principality's express written consent; or
- c) the Borrower grants or allows a second or subsequent charge over the Property without Principality's consent; or
- d) the Borrower breaches its obligation to keep the Property insured in compliance with Principality's requirements contained in Principality's Offer and in the relevant section of the Mortgage Conditions (other than a breach which is not serious or one which is capable of remedy and is remedied within such reasonable period as Principality requires of the Borrower).

3) When the Date of Change applies:

The Date of Change will be:

- a) the first day of the first full calendar month after Receipt, if the Borrower's(s') Account is on SVR at the date of Receipt; or
- b) the first day of the first full calendar month after Maturity, if the Borrower's(s') Account is on an interest rate other than SVR at the date of Receipt.

Principality reserves the right to postpone the date of interest rate change set out in sub-clauses 3 a) and 3 b) by one month where Receipt occurs less than 5 days prior to the date when the change would otherwise take place.

4) When this agreement takes place

This agreement is made on the date of Receipt. This agreement shall not apply to any future advance made to the Borrower/s by Principality or any contract entered into by the Borrower/s and Principality after the date of Receipt.

5) What happens to the rest of your Mortgage Contract

Except for the details changing as specified in this agreement the terms and conditions of the Mortgage Contract shall remain in full force and effect and in particular the Legal Charge Deed which forms part of the Mortgage Contract will continue to apply as security for the moneys owed under the Mortgage Contract (as amended by this agreement) and any other liabilities secured by the Legal Charge Deed.

6) If your mortgage is not a flexible product

This clause 6 of this agreement, shall only apply if Principality's Personalised illustration, provided to the Borrower with these Mortgage Product Terms, does not indicate that the illustrated product is a flexible product. All flexible products will contain the word 'flexible' or 'flexi' in the description of the product that appears next to the words 'Illustrated product' on the first page of Principality's Personalised illustration.

- a) During the Early Repayment Charge Period, you can make overpayments up to the sum of 10% of your Outstanding Balance each Early Repayment Year, to reduce your Account, without incurring any charge. If your overpayments during any Early Repayment Year exceed this, you will incur an early repayment charge of the percentage used to calculate early repayment (for the amount of the overpayment (as stated in the Product Acceptance Form), on the amount of your overpayments that exceed 10% of your Outstanding Balance.
- b) After the Early Repayment Charge Period has ended, you can make any overpayments you wish without incurring any charge.
- c) If you overpay your Account, the amount you owe and the amount of interest you pay is re-calculated and reduced immediately.
- d) If you have more than one Account, these rules will apply to each Account individually.

7) If your mortgage is a flexible product

This clause 7 of this agreement, shall only apply if Principality's Personalised illustration, provided to the Borrower with these Mortgage Product Terms, indicates that the illustrated product is a flexible product. All flexible products will contain the word 'flexible' or 'flexi' in the description of the product that appears next to the words 'Illustrated product' on the first page of Principality's Personalised illustration.

- a) You can make additional payments or 'overpayments' to reduce your loan at any time you want.
- b) If you overpay, or make a lump sum repayment, the amount you owe and the amount of interest you pay is re-calculated and reduced immediately.



ONLINE

Visit us at principality.co.uk
or on our social channels

   [@principalitybs](https://twitter.com/principalitybs)

for the latest updates,
including our opening hours.



VISIT

Visit principality.co.uk/branch to
find your nearest branch and for
our service updates.



CONTACT US

If you would like to get in touch
call us on **0330 333 4000*** or email
us at enquiries@principality.co.uk



YOUR ACCOUNT

View your mortgage balance by
registering for Your Account
principality.co.uk/register

This leaflet is available in large print, Braille and
audio tape on request by calling 0330 333 4000*

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

- To help us maintain our service and security standards, telephone calls may be monitored and recorded.

Principality Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, reference number 155998. Principality Building Society, Principality House, The Friary, Cardiff, CF10 3FA.

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principality.co.uk