CONSEQUENCES OF FAILURE TO COMPLY BY EITHER PARTY

THE LANDLORD

• Failure to comply with the requirements to provide the landlord’s name and address, the name and address of the financial institution holding the security deposit, and the notice to tenant regarding tenant’s forwarding address obligation, the landlord forfeits the right to require a security deposit, and relieves the tenant from the requirement to provide landlord with a forwarding mailing address at the time the tenant moves out.

• Failure to comply with the inventory checklist requirements may subject the landlord to forfeiture of the security deposit.

• Failure to comply with the notice of the itemized list of damages constitutes a waiver of any claim for damages against the security deposit.

• Failure to file suit or return the security deposit within 45 days after the tenant moves out constitutes a waiver of all damages claimed, and also makes the landlord liable to the tenant for double the amount of the security deposit.

THE TENANT

• Failure to provide the landlord with written notice of a forwarding address relieves the landlord of the notice requirement, but does NOT prejudice the tenant’s claim for return of the security deposit.

• Failure to respond to landlord’s itemized list of damages within 7 days will result in a forfeiture of the security deposit in an amount equal to the claimed damages.

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RIGHTS AND RESPONSIBILITIES OF THE PARTIES

THE LANDLORD

- May require a security deposit in an amount not to exceed 1-1/2 times the monthly rent.
- Must deposit the security deposit in a regulated financial institution.
- Shall not require a security deposit unless the landlord notifies the tenant, in writing, within 14 days after the tenant takes possession of:
  - The name and address where the landlord will receive any communications about the tenancy;
  - The name of the financial institution where the security deposit is deposited, or the name of the surety; and
  - A notice in 12 point boldface type that states:

  "YOU MUST NOTIFY YOUR LANDLORD IN WRITING WITHIN 4 DAYS AFTER YOU MOVE OF A FORWARDING ADDRESS WHERE YOU CAN BE REACHED AND WHERE YOU WILL RECEIVE MAIL; OTHERWISE YOUR LANDLORD SHALL BE RELIEVED OF SENDING YOU AN ITEMIZED LIST OF DAMAGES AND THE PENALTIES ADHERENT TO THAT FAILURE."

- May only deduct from the security deposit for the following reasons:
  - To reimburse landlord for actual damages to the rental unit that are the direct result of conduct not reasonably expected in the normal course of habitation of a dwelling;
  - To pay landlord for all rent in arrearage under the rental agreement, rent due for premature termination of the rental agreement by the tenant, and for unpaid utility bills by the tenant.
  - At the commencement of the lease, the landlord must give the tenant two blank copies of an inventory checklist for all items contained in the rental unit. Upon completion of the inventory checklist, one copy must be returned to the landlord within 7 days. The following notice in 12 point boldface type shall appear on the top of the first page:

  "YOU SHOULD COMPLETE THIS CHECKLIST, NOTING THE CONDITION OF THE RENTAL PROPERTY, AND RETURN IT TO THE LANDLORD WITHIN 7 DAYS AFTER OBTAINING POSSESSION OF THE RENTAL UNIT. YOU ARE ALSO ENTITLED TO REQUEST AND RECEIVE A COPY OF THE LAST TERMINATION INVENTORY CHECKLIST WHICH SHOWS WHAT CLAIMS WERE CHARGEABLE TO THE LAST PRIOR TENANTS."

- At the termination of the tenancy, the landlord must complete a termination checklist of all claimed damages.
  - If the landlord receives the tenant’s forwarding address within 4 days of move out:
    - Must mail to the tenant, within 30 days after the date the tenant moves out, the entire amount of the security deposit, or
    - Must mail an itemized list of damages with the estimated cost of repair for the damages claimed and a check or money order for the remaining amount of the security deposit (if any), along with a notice in 12 point boldface type that states:

  "YOU MUST RESPOND TO THIS NOTICE BY MAIL WITHIN 7 DAYS AFTER RECEIPT OF SAME, OTHERWISE YOU WILL FORFEIT THE AMOUNT CLAIMED FOR DAMAGES."

  - Must bring a lawsuit for damages within 45 days after the tenant moves out or return all security deposits, unless the tenant did not leave a forwarding address or respond to the itemized list of damages within the allotted time, or unless the amount for damages claimed by the landlord is based entirely on accrued and unpaid rent for when the tenant had possession of the rental unit.
  - May not withhold cleaning fees from the security deposit.
  - Upon termination of interest in the property (e.g., sale, assignment, death, etc.), landlord must return the security deposit to the tenant or transfer the deposit to landlord’s successor upon proper notice to tenant.

THE TENANT

- Has the right to return of the security deposit if the landlord does not comply with all the requirements of the Security Deposit Act.
- Has the right to the return of the security deposit if there are no damages beyond normal wear and tear, unpaid rent, and/or unpaid utilities.
- Has the right to receive a copy of the prior tenants’ termination checklist.
- Has responsibility to:
  - Return the inventory checklist to the landlord within 7 days after receiving possession of the rental unit.
  - Notify the landlord of the tenant’s forwarding address, in writing, within 4 days of moving out.
  - Make written objection within 7 days after receipt of the itemized list of damages.
  - TAKE TIME-STAMPED PICTURES OR VIDEO OF THE ENTIRE RENTAL UNIT UPON MOVE-IN AND MOVE-OUT.
  - RETAIN ALL CORRESPONDENCE BETWEEN TENANT AND LANDLORD DURING TERM OF OCCUPANCY.