



Department of Planning and Community & Economic Development
Neighborhood Preservation & Inspection Division

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SECURITY DEPOSIT RENT CREDIT

No rent credit is due if the security deposit is less than or equal to fifty percent (50%) of one (1) month's rent.

The interest rate is a simple interest rate. It is not compounded. Hence a \$500 dollar deposit would return \$4.70 in credit at the expiration of a 12-month lease term, and if carried over to a second lease, the total credit would be \$9.40. Similarly, if the lease is less than one year, the credit should be reduced accordingly. For example, a 6-month lease with a \$500 deposit would yield a \$2.35 credit.

The rent credit is due. The landlord shall provide a yearly rent credit calculated from the date the security deposit is paid or an earnest money deposit has been applied toward the security deposit.

The interest rate credited shall be the announced rate on the date the security deposit is paid or an earnest money deposit is applied toward the security deposit and the rate in effect on each annual anniversary date thereafter.

If not credited to the last month's rent annually or otherwise distributed to the tenant prior to the termination of the tenancy, the rent credit shall be paid to the tenant or accounted for in writing using the procedures set forth below for the return of the security deposit within twenty-one (21) days after surrender of rental premises and restoration of possession to the landlord.