

Security Deposits: What You Need To Know

FAIR HOUSING HIGHLIGHT #19

What exactly is a security deposit supposed to be used for?

The purpose of a security deposit is to protect the landlord financially if the tenant causes damage to the property or fails to pay rent that is owed to the landlord. The security deposit is NOT just an extra “fee” charged by the landlord when you move in - it is money owned by the tenant which is essentially “held” by the landlord in case the tenant leaves without paying rent owed or with damage to the premises beyond normal “wear and tear”.

When I lived in another state a landlord could only charge a maximum of \$500 for a security deposit. I was shocked when I was informed that my security deposit was \$1500—that’s 2 month’s rent! Then I heard they have to refund part of it in a few years. Just how much can a landlord charge for a security deposit in Pennsylvania?

In Pennsylvania, during the first year of the lease, a landlord may charge up to two month’s rent as security deposit. After the first year, a landlord cannot hold more than one month’s rent as security –anything more must be returned. Any deposit greater than \$100 must be put in a bank in an escrow account. After the third year, interest on the deposit is paid to the tenant.

Our family rented a condo and paid \$1000 as a security deposit. I found out later that the couple next door (paying the same rent) was required to pay \$600 for security. I asked the manager why he charged us more and he said, “It is company policy to charge a higher security deposit for kids—they cause more wear and tear on the property”. Is this legal?

NO! The management is in clear violation of federal and state fair housing laws if they charge a greater security deposit to a family because of the presence of children in the household as contrasted with other tenants. This is known as “familial status” discrimination and it’s illegal. Housing providers are obligated to adhere to both the Penn. Landlord-Tenant Law AND the Fair Housing laws. If you encounter this situation call the Fair Housing Rights Center immediately at 215-576-7711.

I moved out when my lease ended 6 weeks ago and still haven’t received my security deposit back. I did everything right—didn’t owe any rent, gave proper notice, and left the unit in good condition. I called the manager and she said that they’re still “checking for damages” I think they’re stalling —what can I do to get my money?

Under PA Landlord-Tenant Law, a landlord has 30 days after a tenant moves out to return the security deposit in full OR give the tenant an itemized list of damages for which the tenant is responsible and the amounts being withheld. If the landlord does not return the deposit within 30 days, or provide a list of damages with any refund due, the tenant may sue the landlord in District Court for **double** the security deposit or whatever amount was improperly kept (tenant must leave forwarding address). A landlord who doesn’t abide by the 30 day limit also forfeits the right to later sue the tenant in court for damages (the landlord can still sue for unpaid rent). If the tenant does not agree with the damage assessment and/or amounts being kept, a claim against the landlord may be filed in District Court. You do not need a lawyer. NOTE: The burden is on the landlord, not the tenant, to prove a right to withhold any part of the tenant’s security deposit.

**Questions? Call the Fair Housing Rights Center in Southeastern Pennsylvania at 215 576-7711
or visit us online at www.fairhousingrights.org.**