

# Tenant & Landlord Guide to Security Deposits in Maryland

## SECURITY DEPOSITS

The laws about security deposits for residential rental housing (including mobile homes) are often misunderstood by both tenants and landlords. This guide covers the main points about security deposits and may help you avoid problems with your tenants or landlord.

If you have other questions, please seek more information.

A security deposit is **any** money paid to a landlord by a tenant to protect the landlord against unpaid rent or damages to the leased premises.

Security deposits can include the last month's rent, if paid at the beginning of the lease.

Security deposits may include "pet deposits" and other special deposits against damages.



### MAXIMUM DEPOSIT AMOUNT

The security deposit may not be more than two month's rent. If a landlord overcharges, the tenant has up to two years after the lease ends to sue the landlord for up to three times the extra amount charged, plus attorney's fees.



### WRITTEN RECEIPTS

The landlord must give a **written receipt** for the security deposit. The receipt can be part of a written lease.

The receipt must tell the tenant that the tenant has a right to receive a written list of existing damages **if the tenant requests this list in writing within 15 days of moving into the property.**

If a landlord does not provide this list, the tenant can sue the landlord for up to three times the amount of the security deposit.



### SEPARATE ACCOUNT AND INTEREST ON DEPOSITS

Security deposits must be kept in a separate interest-bearing account in Maryland, and deposited within 30 days of receipt.

**As of January 1, 2015, simple interest of 1.5% per year, accrued at 6-month intervals, must be paid on security deposits of \$50 or more.** (Example: a \$100 security deposit earns \$1.50 after 12 months, \$2.25 after 18 months, \$3 after 24 months)

If the property is sold or transferred, the new landlord is responsible for obtaining the deposit (and any accrued interest) from previous owner and opening a separate account for the deposit as stated above.

## MOVING NOTICE AND INSPECTION

When the tenant pays the security deposit, the landlord must **notify the tenant in writing** that the tenant has the right to be present at landlord's inspection of the property for damages when the tenant moves out.

**The tenant must notify the landlord by certified mail at least 15 days before moving** of the tenant's move out date and the tenant's new address.

The inspection must be within five days before or five days after the moving date.



## RETURN OF DEPOSITS

Landlords may keep part or all of a security deposit for **unpaid rent or the actual cost of repairing damage** caused by the tenant, tenant's family or guests. Ordinary wear and tear is not damage.

**Within 45 days after the tenant moves out, the landlord must send the tenant a written list of damages** and the actual amount spent by the landlord to repair damage to the property.

The landlord may not keep any part of the security deposit unless they **notify the tenant of the charges**.

**Within 45 days after the tenant moves out, the landlord must return the security deposit, plus all accrued interest (see "Separate Account and Interest on Deposits"), minus any unpaid rent or cost of damages.**

If the landlord does not return the security deposit within 45 days, the tenant can sue the landlord for three times the amount wrongly withheld by the landlord, plus attorney's fees.



## EVICTION OR ABANDONMENT

If a tenant has been evicted, ejected or has abandoned the property before the lease ends, the security deposit may be returned when:

- Within 45 days after moving, the tenant mails the landlord a letter with the tenant's present address requesting return of the security deposit.
- The landlord has 45 days to mail the tenant a list of damages and costs.
- If eviction is due to non-payment of rent, landlord can apply security deposit to unpaid rent.

**The security deposit, less damages, must be returned within 45 days of receiving the tenant's notice.**

## NO WAIVER OF RIGHTS

No provisions of the security deposit laws can be waived, either orally or in writing.

## **Landlord Checklist**

- Maximum security deposit equals two months rent.
- Give written receipts for security deposits
- Provide tenant list of existing damages
- Keep separate accounts for security deposit
- Pay 1.5% simple interest, accrued at 6 month intervals, on security deposits
- Provide list of damages and amount to be withheld in 45 days from tenant move out
- Return security deposits with interest in 45 days from tenant move out

## **Tenant Checklist**

- Provide landlord list of existing damages at move in
- Must request damage inspection in writing with move out notice

## **MORE INFORMATION**

### **Hagerstown Home Store**

301-797-0900

### **Maryland Attorney General's Office**

44 N Potomac Street, Suite 104

Hagerstown, MD 21740

301-791-4780

### **District Court**

33 West Antietam Street

Hagerstown, MD 21740

240-420-4600

**Hagerstown Neighborhood Development Partnership, Inc. 21 East Franklin Street Hagerstown, MD 21740**  
[www.hagerstownhomestore.org](http://www.hagerstownhomestore.org)

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