



Security Deposit Guide

Information on Managing Security Deposits

1 What is a Security Deposit?

- A security deposit is money collected from a tenant at move-in to protect against unpaid rent, damage beyond normal wear and tear, or other lease obligations.
 - In New York State, normal wear and tear cannot be deducted from the security deposit.
 - Landlords must comply with state regulations regarding maximum deposit amounts.
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2 Collecting a Security Deposit

- **Maximum Amount:** For residential leases in NYS, a landlord may charge no more than one month's rent as a security deposit.
 - **Receipts:** Provide a receipt to the tenant documenting the deposit amount.
 - **Deposit Account:** Security deposits must be kept in a separate interest-bearing account in certain jurisdictions (e.g., NYC requires interest on deposits for certain residential units).
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3 Using the Security Deposit

- May be used for:
 - Unpaid rent
 - Damages beyond normal wear and tear
 - Cleaning fees if specified in lease
- **Documentation:** Keep receipts and detailed records for any deductions.
- **Communication:** Inform the tenant in writing of any deductions from the deposit