

RESIDENTIAL TENANCIES ACT

SECURITY DEPOSIT

Section 12 - Security Deposit

A security deposit is usually a sum of money given to the landlord that is in addition to rent paid for a rental unit (apartment, house or mobile home). Some people call this sum of money a caution or damage deposit.

In a monthly or term rental agreement, a landlord cannot ask for more than 3/4 of the first month's rent.

If the tenant pays more than the amount permitted, the tenant may deduct the extra amount paid from the rent.

A landlord must give a tenant a written receipt stating the amount of the deposit paid, the date it was received and the address for which it was paid.

The landlord must deposit security deposits in an interest bearing account located in Newfoundland and Labrador within two days of receiving the deposit.

A landlord must credit interest at the rate prescribed by regulation.

The landlord should refund the security deposit 15 days after the tenant vacates the rental unit unless the landlord has a claim for all or a portion of the deposit or there is a written agreement by the landlord and tenant to apply the deposit towards money owing by the tenant.

The landlord or tenant may make application to Residential Tenancies for a decision on what happens to the security deposit.

If a tenant makes an application for the return of the security deposit, the landlord has 10 days from receipt of service of the tenant's application to make an application for the security deposit.

If the landlord does not make an application for the deposit within 10 days, the landlord must return the deposit to the tenant. However, the landlord still may apply for payment of money for rent, damages, utilities etc.

Revised March 2005. This information has been summarized and, therefore, is not necessarily quoted directly from the Residential Tenancies Act. Please see Act for further clarification and detail.

For further information visit our web site @ www.gs.gov.nl.ca/tp/
or phone St. John's 709-729-2610 or 5829; Gander 709-256-1019;
Corner Brook 709-637-2445 OR phone our toll free number 1-877-829-2608

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