

# SECURITY DEPOSIT ADDENDUM

Property Address: \_\_\_\_\_

**The Security Deposit is limited to no more than one (1) month's rent as specified in the Lease Agreement.**

Receipt is hereby acknowledged for payment of \$ \_\_\_\_\_ as a Security Deposit for the faithful performance of all terms and conditions of this Lease. The tenant is aware that the Security Deposit is held by the Landlord for the duration of their occupancy. Property should be received and returned in broom clean condition.

## 1. Appropriate Deductions from the Security Deposit:

- Non-payment of rent & non-payment of utility charges payable directly to the landlord at the end of the lease.
- Damage caused by the tenant beyond normal wear and tear.
- Non return of key at end of tenancy.
- Moving and storage of the tenant's belongings.

**NOTES:** Normal wear and tear cannot be deducted from the Security Deposit and under no circumstances can a Security Deposit be used as last month's rent.

**2. Security Deposit Accounts.** Landlords must treat the security deposits as trust funds belonging to their tenants and they may not co-mingle these funds with their own. *If a Landlord rents six (6) or more units, the security deposit must be held in an interest-bearing account in a New York State bank.* The interest earned less 1% for the owner's administrative cost belongs to the tenant. Tenants must be given the option to have this interest paid to them annually, applied to rent, or paid at the end of the lease term. If a landlord has fewer than six (6) apartments, the landlord may voluntarily place security deposits in an interest-bearing bank account and follow the above-mentioned rules.

## 3. Landlord/Tenant Notices

- Landlords with six (6) or more units must inform Tenant of the name and location of the institution in which the Security Deposit is being held.
- Should the property be sold, Security Deposits must be transferred to the new owner within five (5) days of the sale or return the Security Deposits to the tenant. At the same time, tenants must be notified by registered mail of this transfer and the name and address of the new owner.

**4. Return of Security Deposit.** *The entire amount of deposit is refundable within 14 days of the tenant vacating the premises, except for the deduction of reasonable and itemized costs.* After conducting a final inspection, any noted Tenant damages will be recorded and deducted. An itemized list stating amount withheld will be provided in this same 14-day time frame. Tenants have the right to have their property inspected prior to vacating the unit, and at that inspection, the landlord will specify what needs to be cleaned or repaired. Tenants can then correct these items before their move-out date to prevent losing all or part of their deposit.

\_\_\_\_\_  
Tenant Date

\_\_\_\_\_  
Landlord Date

\_\_\_\_\_  
Tenant Date

\_\_\_\_\_  
Landlord Date