

Everything You Need to Know About Your Security Deposit

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Signing for an apartment is a pretty big deal. Legal jargon, fees, utilities, deposits, and an endless amount of paperwork is exhausting and overwhelming. At a lease signing, it's understood that you'll be paying a decent amount upfront. But there's something special about security deposits. They're refundable – meaning you have a chance at getting the full or partial amount back into your pockets.

Everyone likes having some extra cash on hand, whether it be for shopping or dare I say it... bills. So before you sign on the dotted line, make sure you understand security deposits and

What is a security deposit?

Definitively speaking, a security deposit is a fixed amount of money owed to a landlord that ensures you'll get your rent paid and fulfill your tenant responsibilities. (I.e. not causing damage to the apartment home.) Damage by pets counts, too.

When the landlord receives your deposit, he or she will likely put it into an escrow account, where it may build up interest over time. You can also ask for a receipt to see where your deposit was placed, and depending on state laws, you may even get to keep the interest made.

While your deposit is making bank, don't think for a second that the landlord can just use it. They can't do anything with it while you're living in the apartment – only when you move out can they use it for necessary apartment repairs or cleaning. Once the home has been assessed and damage costs have been deducted, your landlord will then return what's left to you.

1. How much are security deposits typically?

While some states in the U.S. have no limit to the amount a landlord can charge a tenant, most price-cap a security deposit at the cost of one month's rent. However, some states allow landlords and property managers to charge up to three month's rent.

2. How is a security deposit calculated?

Landlords keep four main factors in mind when calculating the security deposit for their apartments:

- State Laws
- Apartment Monthly Rent
- Property Amenities
- Security Deposits of Competitive Properties

Credit scores do carry some weight in the overall total. A tenant with a lower credit score will be seen as high-risk, so apartment communities may seek out a higher deposit to offset the risk.

What is the difference between a security deposit and last month's rent?

As mentioned above, a security deposit is the landlord's reassurance that you will pay rent and cover any self-made damages to the home. A [lease](#) that states the security deposit is to be considered last month's rent can only be used toward the rent, not cleaning or fixing up the apartment. If your landlord only requires last month's rent – and not a security deposit in addition to – then the landlord has taken financial responsibility upon his/herself.

When do I need to pay the security deposit?

Generally, landlords and property managers require the security deposit before the tenant can receive their keys. Security deposits are paid at the lease signing with a money order, cashier's

plan it you ask.

When will my security deposit be returned?

A 30-day return time is standard in the apartment world. Your deposit will be mailed to you after you have officially moved out; though, it can be shorter or longer depending on what the lease states. Because you'll receive it by mail, make sure you leave an envelope with your name and new address on it with the property staff. Also, follow up with an email.

Help! I didn't get my full deposit back! Why?

There could be several reasons why you didn't get your full deposit back. Leaving behind an apartment with walls that resemble Swiss cheese is one, and leaving the home permanently and without any notice before your lease expires is another. If you backed out of your lease early, utilities still need to be paid and a portion of the deposit will help cover them. Your landlord will send you an itemized receipt showing you what items needed to be fixed and how much it cost.

I still haven't received my deposit and it's been 30 days.

If it's over the time period stated in your agreement and you've spoken to or reached out to the landlord and haven't received your security deposit, you may want to try writing them a [security deposit demand letter](#). This letter is a reminder that they're overdue in returning your deposit. If that doesn't seem to be enough, you may want to seek legal counsel to discuss your options.

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32 Responses



ABOUT THE AUTHOR

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Hello! I'm Lauren Ross, a copywriter here at Apartments.com. I love dogs, cupcakes, and lifestyle trends!

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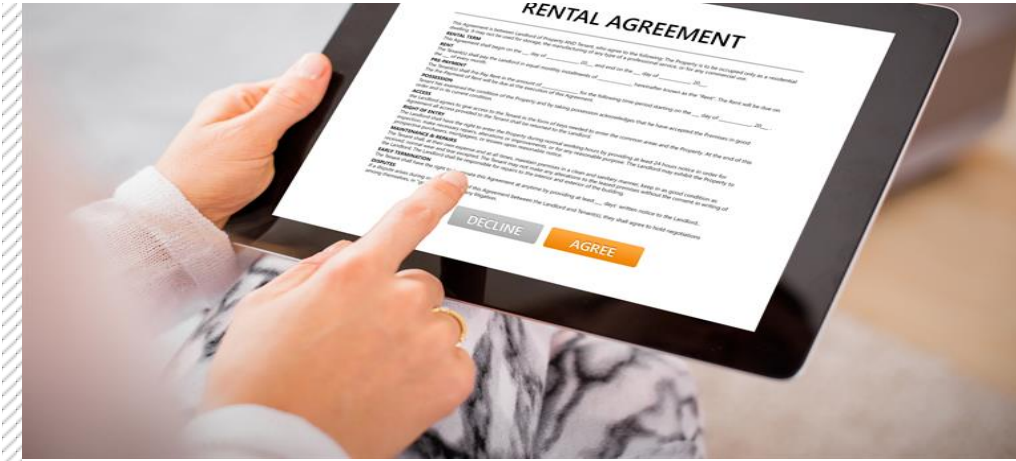
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