

Security Deposit Policy

New Boston Property Management

Adopted: Resolution 2019-23; September 30, 2019

- A. Each household in the Public Housing program is required to pay a security deposit in the amount of \$500 for family units and \$250 for elderly units regardless of the bedroom size. Each household in the USDA/515/Section 8 New Construction program is required to make a security deposit of their first month's total tenant payment (TTP) regardless of bedroom size in accordance with HUD Handbook 4350.3, REV 1, Chapter 6, Figure 6-7, RHS 515 with Section 8 [24 CFR 884.115].
- B. The Security Deposit is to cover the cost of property damage, abuse and/or delinquent rent that is noted when the family vacates the unit.
- C. Payments of security deposit must be made prior to occupancy, unless other arrangements are made with the Executive Director or a delegated member of management. Applicants who are former tenants who had abandoned their apartments upon departure must pay their security deposit in full prior to occupancy. Security deposits should be received in full by the third complete month of occupancy. A payment agreement may be made in accordance with the following schedule:
 - 1. for a deposit of \$250 or less, an initial payment of \$150 and followed by two installments of \$50 per month.
 - 2. for a deposit of more than \$250, an initial payment of \$250 and followed by two installments of \$125 per month.
 - 3. During a payment agreement period, if full amount of payment is not made by the date on the payment agreement, the entire remaining balance will be due in full.
- D. Security deposit may not be used to pay charges during occupancy.
- E. Security deposits received will be deposited within two (2) business days into an escrow account designated for tenant deposits only. Records will be maintained and updated regularly as to the amount of deposit, and interest is applied at the time of move-out for the individual tenant deposit. This interest is calculated according to the amount of deposit, duration of occupancy and current interest rate at the time of move-out. If the security deposit is withheld for reasons described in item D, the interest amount will be considered as part of the security deposit and will be applied toward move-out charges. A tenant may sign an agreement waiving the interest on their Security Deposit. No funds from this account will be used at any time for Agency expenses other than move-out charges.
- F. The security deposit or debt invoice, along with an itemized list of any deductions, will be returned to the family within thirty (30) days after the apartment is returned to the Landlord. In accordance with the Dwelling Lease, the household must provide a written thirty (30) days' notice of their intent to vacate along with a forwarding address for the purpose of

refunding the security deposit. If not received within the stated timeframe, the security deposit will not be returned. The following conditions may be refunded by the deposit prior to returning to the household:

1. Unpaid rent and charges for which the family is liable under the Lease.
2. The unit and equipment are left clean and the family has removed all trash and debris.
3. There is no breakage or damage beyond that expected from normal wear and tear.
4. All apartment and mailbox keys and parking permits issued to the family are returned to the Central Office when the family vacates the unit.

G. In accordance to Texas Property Code, Section 92.103, Security Deposits must be returned to the household at least thirty (30) calendar days after keys are received by Management or the dwelling has been declared vacant. If the envelope holding the returned Security Deposit or invoice notice has not been postmarked within thirty (30) days, then the entire Security Deposit must be returned to the household.