

LANDLORDS' INFORMATION BULLETIN

SECURITY DEPOSIT

IMPORTANT

The contents of this information bulletin are for information purposes only and do not replace the legislation.

ON SIGNING A LEASE

When renting, it is recommended that the landlord and tenant sign a [Residential Lease](#), ensuring that all terms of the tenancy agreement have been agreed to and confirmed in writing. It is also recommended that an [Accommodation Inspection Report](#) be completed by the landlord and tenant at the beginning of the tenancy. This report will act as written confirmation as to the condition of the premises and all items provided by the landlord at the beginning of the tenancy. It may also become important evidence if a claim is filed against the security deposit at the end of the tenancy.

SECURITY DEPOSIT

A security deposit is an amount of money that the landlord may ask the tenant to pay at the beginning of the tenancy. It provides a certain level of protection to the landlord if the tenant:

- fails to pay rent
- fails to reimburse the landlord for utilities the tenant has agreed to pay for
- fails to pay a late payment fee
- damages the premises or any items supplied by the landlord (caused by tenant or tenant's guest)
- fails to maintain ordinary cleanliness of the premises or any items supplied by the landlord

Maximum amount a landlord can request as security deposit:

Type of Lease	Maximum Security Deposit Amounts
Week-to-week lease	No more than one week's rent.
Mobile home site lease	No more than three months' rent
All other leases	No more than one month's rent

If the landlord requires payment of a security deposit, the tenant may pay all of the security deposit to the Residential Tenancies Tribunal at any Service New Brunswick Service Centre, or all of it directly to the landlord. The tenant may also choose to pay a portion to the Residential Tenancies Officer and the remaining portion to the landlord.

If the tenant pays all or some of the security deposit to the landlord, the landlord must complete and deliver a [Security Deposit Remittance Form](#), along with the money, to the Residential Tenancies Tribunal within 15 days of receiving the money from the tenant. Failure to do so is an [Offence under the Act](#).

If the tenant pays the security deposit to the landlord, it is important that the tenant asks for and receives a receipt confirming payment. A **proper receipt** should include:

- the date the payment was made
- the name(s) of the tenant(s) the security deposit is for and the address of the rented premises
- the amount paid
- identification that the payment is for a security deposit and the signature of the person accepting payment.

The landlord must deliver the security deposit within 15 days to the Residential Tenancies Tribunal, along with a [Security Deposit Remittance Form](#). Once received, Service New Brunswick will send the tenant an official receipt. If the tenant does not receive the official receipt, he/she should contact the Residential Tenancies Tribunal.

AT THE END OF THE TENANCY

The tenant must clean the premises and repair any damages he/she or a guest caused before moving out. See [Respective responsibilities - Repairs and maintenance](#).

It is recommended that the landlord and tenant complete an [Accommodation Inspection Report](#) at the end of the tenancy. This report will act as written confirmation by both the landlord and the tenant as to the condition of the premises and all items provided by the landlord at the end of the tenancy. It may also become important evidence if a claim is filed against the security deposit at the end of the tenancy.

If cleaning or repairs are required and the tenant agrees to pay for them, the landlord should ask the tenant to sign a release for the security deposit for the agreed amount. This will reduce the time in processing the return or transfer of the security deposit.

Security Deposit Refund or Transfer Requests can be made at any time, but applications will not be processed until the tenancy is over and the tenant has moved out.

CLAIMS AGAINST THE SECURITY DEPOSIT

At the end of the tenancy, a landlord may file a claim against the security deposit with the Residential Tenancies Tribunal. To do so, it is recommended that the landlord complete and file a [Security Deposit Claim Form](#).

When making a claim, include specific details. Itemize what was damaged and whether or not it was repaired or replaced. Attach all evidence to the claim, including but not limited to, photographs, video, witness statements, invoices or receipts, estimates, Accommodation Inspection Reports and a copy of the lease agreement.

If making a claim, the landlord has seven days after the end of the tenancy to do so. If the seventh day falls on a Saturday, the claim must be filed by the sixth day directly at the Residential Tenancies Tribunal, or the claim may be faxed or emailed to the Residential Tenancies Tribunal on the seventh day. If the seventh day falls on a Sunday or a statutory holiday, the claim may be filed with the Residential Tenancies Tribunal on the eighth day.

If the landlord takes possession of the premises at a time other than the end of a tenancy, the claiming time may vary – if you are uncertain, please contact the Residential Tenancies Tribunal to ensure you claim within the proper time period.

The security deposit may only be applied towards the tenant's premises. If a tenant has caused damages, for example, to common areas or another apartment, no claim may be filed with the Residential Tenancies Tribunal against the security deposit for those damages. However, the landlord may request the Residential Tenancies Tribunal to freeze all or some of the security deposit while the matter is pursued in civil court.

CLAIMS FOR RENT OWED

If a tenant has issued an improper Notice of Termination, the landlord may wish to claim against the security deposit for the following month's rent. In this case, the claiming period may vary so please contact the Residential Tenancies Tribunal to verify the allowed claim period.

When claiming against a security deposit for rental arrears following a Notice to Vacate for Non-Payment of Rent or a Final Notice to Vacate for Non-Payment of Rent, rental arrears includes the month in which the notice is effective. Claims for additional loss of rent due to the breach of a lease agreement that is above and beyond the amount of the security deposit can only be recovered through a civil court process.

CAUTION

If either the landlord or the tenant does not respond to correspondence or instructions from the Residential Tenancies Tribunal, the claim against the security deposit will proceed accordingly.

ADDITIONAL INFORMATION

For additional information visit the Residential Tenancies Tribunal website, call the toll free telephone number, or send an email.

Website: www.snb.ca/irent

Email: irent@snb.ca

Phone: 1-888-762-8600