

## 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 important that the landlord and tenant sign a [Residential Lease](#) ensuring that all terms of the tenancy 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 that is owing
- damages the premises or any items supplied by the landlord (caused by tenant or tenant's guest, whether intentional or not)
- 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 Amount of Security Deposit
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 the security deposit directly 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 security deposit, to the Residential Tenancies Tribunal within 15 days of receiving it 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 obtains 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.

Once the landlord gives the security deposit to the Residential Tenancies Tribunal, an official receipt will be sent to the tenant by Service New Brunswick.

## DURING THE LEASE PERIOD

If a security deposit is held under the name of more than one tenant, it is understood that the security deposit is being held in equal shares between the tenants. If one tenant moves out and the other tenant(s) remain(s), the

tenant who moves out must assign his or her share to the remaining tenant(s). This may be done by submitting a written request to the Residential Tenancies Tribunal or by completing a [Tenant-to-Tenant Transfer Form](#).

### **AT THE END OF THE TENANCY**

The tenant must clean the unit and repair any damages he/she or a guest caused before moving out.

Just as it is recommended to complete an Accommodation Inspection Report at the beginning of the tenancy, it is also 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 the landlord is willing to release the deposit, the tenant should obtain his/her consent in writing. This will reduce the time in processing the return or transfer of the tenant's security deposit.

**Security Deposit Refund or Transfer:** At the end of the tenancy, tenants should use the [Security Deposit Refund Request](#) to ask that their security deposit be returned to them. Alternatively, if they are moving into a different rental, they can ask that the security deposit be transferred using the [Security Deposit Transfer Request](#). 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.

### **A CLAIM AGAINST THE SECURITY DEPOSIT**

At the end of the tenancy, the landlord may file a claim against the security deposit with the Residential Tenancies Tribunal. The landlord has seven days from the end of the tenancy to file the claim. Unless the Residential Tenancies Tribunal receives from the landlord a written release, the security deposit will not be sent back to the tenant until this seven-day period is over.

If the landlord files a claim and the tenant agrees with the claim, the Residential Tenancies Tribunal will distribute the security deposit as per the agreement reached by the landlord and the tenant. If, however, the parties cannot agree, the tenant may file a formal dispute with the Residential Tenancies Tribunal. A Residential Tenancies Officer will investigate the matter further. During this investigation, both the landlord and tenant will be given the opportunity to file evidence and have their positions heard. Based on his or her findings of the investigation, the Residential Tenancies Officer will distribute the security deposit appropriately.

### **CAUTION**

When the Residential Tenancies Tribunal receives a completed claim within the seven-day claim period, they will notify the tenant of the claim. Similarly, when the Office of the Residential Tenancies Officer receives a dispute to a claim from a tenant, the Residential Tenancies Tribunal will notify the landlord.

As the dispute resolution process moves forward, a Residential Tenancies Officer will investigate the claim. During this process, the landlord and tenant will receive correspondence or instruction from the Residential Tenancies Officer. If they do not respond to this correspondence or instruction, the Residential Tenancies Officer will proceed with concluding the claim. Therefore, it is essential that both the landlord and tenant participate in this process as required. It is also very important that the tenant provide their forwarding address to the Residential Tenancies Tribunal.

### **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](http://www.snb.ca/irent)  
**Email:** [irent@snb.ca](mailto:irent@snb.ca)  
**Phone:** 1-888-762-8600