

A TENANT'S GUIDE TO SECURITY DEPOSITS

The information below is a Q & A about security deposits from a tenant's perspective.

GENERALLY

What is a security deposit?	Any prepayment of rent, other than your first full rental payment, and any other refundable fee or deposit.
How much can a landlord charge for a security deposit?	A security deposit cannot exceed one and a half times your monthly rent. For example, if your rent is \$1,000 a landlord cannot charge more than \$1,500 for a security deposit.
What if I have to pay both first month and last month's rent before I move in?	In the case that the lease requires both your first and last month's rent to be paid before moving in, your last month's rent is considered the deposit.
When do I know if I need to pay a security deposit?	Your landlord must notify you no more than 14 days after you start your lease, or when you move in. This notification must be in writing.

MOVING IN

What must the landlord do with the security deposit?	Upon collecting the deposit, your landlord must deposit the money with a regulated financial institution or deposit a cash bond to secure the deposit.
What must I do when I move in?	Within 7 days of the start of the lease, you should complete and return to your landlord an inventory checklist. Keep a copy of the completed checklist. This serves an important role in protecting you by creating a record of the property condition when you first move in. Take photos and videos of your home and save them in a safe place. If you do not return the checklist to your landlord, you are agreeing that everything at the property is in good condition at that time.
What does the landlord have to provide me when I move in?	Within 14 days from when you move in, your landlord must provide: <ul style="list-style-type: none">• The name and address of where/how you can reach the landlord regarding the lease.• The name and address of the financial institution where the security deposit is held or the name and address of the surety company, and who filed the bond with the Secretary of State.

	<ul style="list-style-type: none"> • Notice that it is your obligation to provide a forwarding address, in writing, within 4 days of moving out. <p>*This notice is usually part of the lease*</p>
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MOVING OUT

What do I, as a tenant, need to do when I move out?	Within 4 days of moving out, you must provide your forwarding address to the landlord in writing, otherwise you may lose out on your security deposit. It is also a good idea to take inventory of the condition of the home when you move out.
What does the landlord need to do once I give them my forwarding address?	Upon receiving the address, your landlord then has 30 days to either return the entire deposit or provide an itemized list of damages with an estimated or actual cost of repairs and a check for the remainder of the deposit (if any). Only damages beyond normal wear and tear may be included.
Is there any other reason why my landlord could keep all or part of my security deposit?	If you haven't paid all your rent or all your utilities (and your landlord needs to pay them so the next tenant can have utilities), your landlord could take the amount you still owe out of your security deposit.
What if I don't agree with the itemized list of damages?	You can mail a response within 7 days to give specific reasons why you agree or disagree with each charge and why you should not be responsible for payment. If you don't respond within the 7 days, you have agreed to the list of damages along with the costs. Keep a copy for your records.
What if the landlord doesn't agree with my assessment?	If the amount returned is still disputed, your landlord can either negotiate an agreement with you or within 45 days after you move out, your landlord can file a lawsuit for a money judgment of damages costs.
Can I file a lawsuit against my landlord?	You can sue your landlord to try to get double your security deposit if all the following apply: <ul style="list-style-type: none"> • Your landlord doesn't initiate a court case within 45 days after you move out or doesn't return your deposit; and • Within 4 days of moving out you provided your forwarding address; and • You responded to the notice of damages within 7 days of receiving it or you never received a notice of damages.
How do I file a lawsuit against my landlord?	Please refer to the Michigan Legal Help Small Claims information found here: https://michiganlegalhelp.org/resources/money-debt-and-consumer-issues/small-claims