

Chapter 18

SECURITY DEPOSITS

INTRODUCTION

Tenant security deposits are required to minimize collection losses and to encourage tenants to leave their apartments clean and in good condition when they vacate.

A. SECURITY DEPOSIT AMOUNT

The security deposit for IHA shall be \$150 at the time of lease-up.

Security deposits will be updated for current residents and any additional amounts will be collected upon execution of a new lease after the effective date of this policy. Payment agreements may be made for the difference of their current deposit and the new amount.

IHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

B. PAYMENT AGREEMENT

Security deposits are due and payable at the time of move-in.

C. ADDITIONAL DAMAGE DEPOSIT COLLECTION PROCEDURES

Security Deposits are governed by the terms of the lease, 24CFR's and state statutes. The IHA reserves the right to bill a resident's account additional charges if any of the situations below exist or take place within a resident's apartment. These additional damage deposits may exceed the flat rent. This money will be added to the resident's current security deposit. Such deposits may be collected for the following:

- 1) Unauthorized wallpapering.
- 2) Painting walls any color other than the original color upon move-in.
- 3) If the resident fails a housing inspection due to unsanitary housekeeping or excessive damage to the unit that is beyond normal wear and tear.

If any of the above items are found within a household the resident will be immediately billed seventy-five dollars (\$75) per room. The IHA has enacted this change to protect the interest of

our housing stock and to reduce the billable charges due by the resident once they have moved out of IHA housing. Management will place additional damage deposit charges on the monthly charge/credit form.

The security and damage deposit amount will be held by IHA until the termination of the resident's lease and vacate of the unit by the resident. After vacate and inspection, the security deposit may be returned to the resident if:

- 1) There is no unpaid rent or other charges.
- 2) The unit, exterior surroundings, and all equipment therein is left clean.
- 3) There is no breakage or damage that is not due to normal wear and tear.
- 4) There is no equipment missing.
- 5) The security deposit for cases of unauthorized wallpapering or painting will be fully refundable should the resident restore the unit back to original condition with normal wear and tear accepted.
- 6) A thirty (30) day written notice is provided to IHA and the keys to the dwelling are surrendered to the management office.

Refund of Security/Damage Deposit

IHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

- Unpaid Rent;
- Damages listed on the Move-Out Inspection Report that exceeds normal wear and tear;
- Other charges under the Lease.

IHA will provide the tenant or designee identified above with a written list of any charges against the security deposit. If the tenant disagrees with the amount charged to the security deposit, IHA will provide a meeting to discuss the charges.

The Security Deposit will be forfeit if the tenants lease is terminated due to Drug or Criminal Activity that has occurred on IHA premises.

IHA will refund the Security Deposit less any amounts owed, within 30 days after move out and tenant's notification of new address.

D. TRANSFER OF SECURITY DEPOSIT

If a resident transfers, the original security deposit transfers. The resident will pay for all the damages from the previous unit. The resident will be responsible for payment of any additional security deposit to bring the resident up the current security deposit minimum. If the security deposit for the new unit is less than the original security deposit, the tenant will be refunded the proper amount, less any charges that have assessed for damages to the unit they moved from. The tenant will also be further billed for any maintenance or other charges beyond the security deposit.