

## Tenant's Rights with Security Deposits

Uptown People's Law Center

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**Local law:** Chicago Residential Landlord and Tenant Ordinance (CRLTO) covers tenant rights regarding security deposits (but not for co-ops or owner-occupied buildings of 6 or fewer units; for those, look at the lease).

**Landlords need to keep all security deposits separate from other assets.** They must place them in a federally-insured interest-bearing account and tell the tenant the name of the bank.

- **Tenants get a signed receipt** verifying the amount of the security deposit, the date the landlord received it, and a description of the unit. If landlords fail to provide this, tenants can immediately ask for their security deposits back.
- **Security deposit + interest are the property of the tenant.** The landlord just holds them.

**Returns:** Landlords must return the security deposit balance plus interest within 45 days after the date the tenant leaves (sooner if tenant has to vacate due to a fire or casualty loss).

- **Yearly interest payments:** Landlords need to pay the tenant interest within 30 days after each 12-month rental period (but only if they held the security deposit for > 6 months).
- **Deductions:** Landlords can use the security deposit and interest to cover unpaid rent and repairs for damages **caused by the tenant (or guests)**, not including wear and tear.
- **Itemized statements:** Landlords can't deduct for repairs before first giving the tenant a list of damages and repair/replacement costs within 30 days of move-out.
  - **Landlords also need to provide paid receipts** for repairs/replacements with the statement (if already completed) or within 30 days after the statement.
- **These rules also apply across Illinois!** The Security Deposit Return Act and the Security Deposit Interest Act are basically identical to the Chicago law.

**If property transfers to a new owner:** The new owner is liable for tenant's security deposit.

- New owner must notify the tenant in writing within 14 days of the property transfer to confirm that the security deposit transferred over successfully.
- Old owner is jointly and severally liable until the full transfer is complete.

**Remedy:** If the landlord breaks the rules, tenants get double their security deposit plus interest.

- If the landlord pays the **wrong amount of interest** and the tenant tells the landlord, the landlord must pay the correction PLUS \$50. If the landlord disagrees, the tenant can go to court. If the tenant wins, the tenant gets double their security deposit plus interest.