

“MY LANDLORD TOOK MY DEPOSIT!”

CPT Gregory Fetterman, Legal Assistance Attorney

Published 12 July 2012

Military service often results in soldiers and family members renting homes or apartments at their duty stations. A recurrent problem with rentals is moving out only to have the landlord hold on to the security deposit. Since this deposit is often equal to a month's rent or more, not getting this money returned at the end of the lease can be a significant financial setback. This article addresses some of the basic legal concepts surrounding security deposits.

The first issue to understand is landlord-tenant issues largely fall under state law, which vary from state to state. As such, soldiers should research their state's landlord-tenant laws when they rent a property or decide to become landlords and rent-out their own property.

In North Carolina, under the Tenant Security Deposit Act (N.C.G.S. §§ 42:50-58), landlords may withhold a tenant's security deposit for a variety of reasons. A tenant's failure to pay rent or utilities, breaking the lease early, leaving belongings on the property for the landlord to remove, and damaging the property are all legitimate reasons for a landlord to withhold a deposit.

Despite these rights, landlords also have obligations to tenants regarding their security deposits. Landlords cannot withhold the deposit due to normal wear and tear of the property and may only retain the cost of their actual damages. Landlords must notify tenants within 30 days of the beginning of the lease term of where the deposit is held. When a lease ends, they also must provide the tenant a written itemization of any damages assessed against the tenant together with the balance of the deposit. With limited exceptions, this written notice must be provided within 30 days of terminating the lease and returning the premises to the landlord or the landlord may lose his or her right to any portion of the security deposit.

There are several courses of action tenants can take if they feel their landlord unjustly withheld a deposit. Legal Assistance Attorneys can give legal advice on the matter and communicate with the landlord on behalf of their clients. If this does not work, tenants may sue their landlord in small claims court for refund of their deposit if the amount is less than \$5,000.

Although landlord-tenant laws can at times be daunting, it is important to know your rights and obligations. As soldiers, we all find ourselves either renting or renting-out to others at some point. By being familiar with security deposit laws you can avoid many pit-falls when dealing with rental property, whether you are the landlord or tenant.

For more information about security deposits, tenant's rights and responsibilities or questions about Small Claims Court please contact the XVIII Airborne Corps and Fort Bragg Legal Assistance Office.