

TITLE 14 DC MUNICIPAL REGULATIONS

308 SECURITY DEPOSITS

- 308.1 For purposes of this chapter, the term “security deposit” shall mean all monies paid to the owner by the tenant as a deposit or other payment made as security for performance of the tenant’s obligations in a lease or rental of the property.
- 308.2 On or after February 20, 1976, any security deposit or other payment required by an owner as security for performance of the tenant’s obligations in a lease or rental of a dwelling unit shall not exceed an amount equivalent to the first full month’s rent charged that tenant for the dwelling unit, and shall be charged only once by the owner to the tenant.
- 308.3 All monies paid to an owner by tenants for security deposits or other payment made as security for performance of the tenant’s obligations shall be deposited by the owner in an interest bearing escrow account established and held in trust in a financial institution in the District of Columbia insured by a federal or state agency for the sole purposes of holding such deposits or payments.
- 308.4 All monies held by an owner on February 20, 1976 for security deposits or other payments covered by this section shall be paid into an escrow account within thirty (30) days.
- 308.5 The owner of more than one residential building may establish one (1) escrow account for holding security deposits or other payments by the tenants of those buildings.
- 308.6 For each security deposit or other payment covered by this section, the owner shall clearly state in the lease or agreement or on the receipt for the deposit or other payment the terms and conditions under which the payment was made.
- 308.7 The housing provider shall post in the lobby of the building and rental office at the end of each calendar year, the following information: Where the tenants’ security deposits are held and what the prevailing rate was for each 6-month period over the past year. At the end of a tenant’s tenancy, the housing provider shall list for the tenant the interest rate for each 6-month period during the tenancy.
- 308.8 The provisions of this section shall not be applicable to Federal or District of Columbia agencies’ dwelling units leased in the District of Columbia or to units for which rents are Federally subsidized.

SOURCE: The Housing Regulations of the District of Columbia, 5G DCRR § 2908, Commissioners’ Order 55-1503 (August 11, 1955); as amended by: section 3 of the Security Deposit Act, D.C. Law 1-48, 22 DCR 2823 (November 28, 1975); and section 2 of the Adjustment of Interest Rates Paid on Rental Security Deposits Amendment Act of 1992, D.C. Law 9-212, §§ 2908.1(b) and 2908.5, 40 DCR 2204 (March 17, 1993), incorporating by reference the text of D.C. Act 9-341, 40 DCR 23

(December 21, 1992); as amended by D.C. Act 16-633 at 54 DCR 889 (February 2, 2007).

309 REPAYMENT OF SECURITY DEPOSITS TO TENANTS

309.1 Within forty-five (45) days after the termination of the tenancy, the owner shall do one of the following:

- (1) Tender payment to the tenant, without demand, any security deposit and any similar payment paid by the tenant as a condition of tenancy in addition to the stipulated rent, and any interest due the tenant on that deposit or payment as provided in paragraph (4)(a) and (a-1) (14 DCMR § 311); or
- (2) Notify the tenant in writing, to be delivered to the tenant personally or by certified mail at the tenant's last known address, of the owner's intention to withhold and apply the monies toward defraying the cost of expenses properly incurred under the terms and conditions of the security deposit agreement.

309.2 The owner, within 30 days after notification to the tenant pursuant to the requirement of paragraph (2)(a)(2) (14 DCMR § 309.1(b)), shall tender a refund of the balance of the deposit or payment, including interest not used to defray such expenses, and at the same time give the tenant an itemized statement of the repairs and other uses to which the monies were applied and the cost of each repair or other use.

309.3 Failure by the owner to comply with § 309.1 and § 309.2 of this section shall constitute prima facie evidence that the tenant is entitled to full return, including interest as provided in § 311, of any deposit or other payment made by the tenant as security for performance of his or her obligations or as a condition of tenancy, in addition to the stipulated rent.

309.4 Failure by the owner to serve the tenant personally or by certified mail, after good faith effort to do so, shall not constitute a failure by the owner to comply with § 309.1 and § 309.2.

SOURCE: The Housing Regulations of the District of Columbia, 5G DCRR § 2908, Commissioners' Order 55-1503 (August 11, 1955); as amended by: section 3 of the Security Deposit Act, D.C. Law 1-48, 22 DCR 2823 (November 28, 1975); and section 2 of the Unitary Rent Ceiling Adjustment Amendment Act of 1992, D.C. Law 9-191, §§ 2908.6 and 2908.7, 40 DCR 2184 (April 2, 1993); as amended by D.C. Act 16-633 at 54 DCR 889 (February 2, 2007).

310 RETURN OF SECURITY DEPOSIT: INSPECTION OF PREMISES

- 310.1 In order to determine the amount of the security deposit or other payment to be returned to the tenant, the owner may inspect the dwelling unit within three (3) days, excluding Saturdays, Sundays, and holidays, before or after the termination of the tenancy.
- 310.2 The owner shall conduct the inspection, if the inspection is to be conducted, at the time and place of which notice is given to the tenant.
- 310.3 The owner shall notify the tenant in writing of the time and date of the inspection.
- 310.4 The notice of inspection shall be delivered to the tenant, or at the dwelling unit in question, at least ten (10) days before the date of the intended inspection.

SOURCE: The Housing Regulations of the District of Columbia, 5G DCRR § 2908, Commissioners' Order 55-1503 (August 11, 1955); as amended by section 3 of the Security Deposit Act, D.C. Law 1-48, 22 DCR 2823 (November 28, 1975).

311 INTEREST ON SECURITY DEPOSIT ESCROW ACCOUNTS

- 311.1 The interest in the escrow account described in § 309 on all money paid by the tenant prior to or during the tenancy as a security deposit, decorating fee, or similar deposit or fee, shall commence on the date the money is actually paid by the tenant, or within thirty (30) days after February 20, 1976, whichever is later, and shall accrue at not less than the statement savings rate then prevailing on January 1st and on July 1st for each 6-month period (or part thereof) of the tenancy which follows those dates. On those dates, the statement savings rate in the District of Columbia financial institution in which the escrow account is held shall be used. All interest earned shall accrue to the tenant except for that described in paragraph (4)(a-1) or as set forth in paragraph (2) (14 DCMR § 309).
- 311.2 Interest on an escrow account shall be due and payable by the owner to the tenant upon termination of any tenancy of a duration of twelve (12) months or more, unless an amount is deducted under procedures set forth in paragraph (2) (14 DCMR §§ 309.1 and 309.2). Any housing provider violating the provisions of this section by failing to pay interest on a security deposit escrow account that is rightfully owed to a tenant in accordance with the requirements of this section, shall be liable to the Rent Administrator or Rental Housing Commission, as applicable, for the amount of the interest owed, or in the event of bad faith, for treble that amount. For the purposes of this paragraph, the term "bad faith" means any frivolous or unfounded refusal to return a security deposit, as required by law, that is motivated by a fraudulent, deceptive, misleading, dishonest, or unreasonably self-serving purpose and not by simple negligence, bad judgment, or an honest belief in the course of action taken. Any housing provider who willfully violates the provisions of this section by failing to pay interest on a security deposit escrow account that is rightfully owed to a tenant in accordance with the requirements of this section shall be subject to a civil fine of not more than \$ 5000 for each violation.

(1) If the housing provider invests the security deposit in an account with an interest rate that exceeds that of the statement savings rate as required in subparagraph (a)(14) (14 DCMR § 311.1), the housing provider may apply up to 30% of the excess interest for administrative costs or other purposes.

311.3 Except in cases where no interest is paid to the tenant as provided in § 311.2, the owner shall not assign the account or use it as security for loans.

311.4 It is the intent of this section that the account referred to in this section and § 309 shall be used solely for the purpose of securing the lessees' performance under the lease.

311.5 This section and § 309 and § 310 shall not be subject to the notice requirements of any other section of this subtitle.

SOURCE: The Housing Regulations of the District of Columbia, 5G DCRR § 2908, Commissioners' Order 55-1503 (August 11, 1955); as amended by: section 3 of the Security Deposit Act, D.C. Law 1-48, 22 DCR 2823 (November 28, 1975); and section 2 of the Adjustment of Interest Rates Paid on Rental Security Deposits Amendment Act of 1992, D.C. Law 9-212, § 2908.4(a), 40 DCR 2204 (March 17, 1993), incorporating by reference the text of D.C. Act 9-341, 40 DCR 23 (December 21, 1992); as amended by D.C. Act 16-633 at 54 DCR 889 (February 2, 2007).