

Coalition of City and State Legislators Unveil Sweeping Reforms to Tackle Exorbitant and Unregulated Renters' Security Deposits

Comptroller Stringer report found New Yorkers spent approximately \$507 million on security deposits in 2016

Legislation would cap security deposits and any additional move-in fees at the equivalent of one-month's rent, allow renters to pay deposits in installments, and create a tenant deposit protection program

New survey asks New York City renters to voice their troubles paying security deposits and explores fairer options

(New York, NY) — Today, a broad coalition of City and State elected officials introduced legislative reforms to tackle a major affordability threat facing New Yorkers: exorbitant and unregulated security deposits. These legislative packages address gaps in City and State law that enable landlords to hike upfront rent costs at extreme levels, as revealed in a [report](#) released by New York City Comptroller Scott Stringer last July, which found that New Yorkers spent approximately \$507 million on security deposits in 2016. The bills are being introduced in tandem with a new [survey](#) from this coalition to gather data on the real life impact of security deposits.

The packages of bills is introduced in the State Legislature by Assemblymember Linda B. Rosenthal, Senator Brad Hoylman, Senator Jamaal T. Bailey, Senator Jessica Ramos and Assemblymember Brian Barnwell and in the City Council by Council Member Keith Powers, Council Member Carlina Rivera, Council Member Jumaane Williams, and Council Member Mark Treyger. They target outrageous costs and persistent fraud that renters endure while trying to find scarce affordable housing.

Comptroller Scott Stringer said, "New York can't wait any longer to start solving our exploding housing and homelessness crisis. We know that one major reason people can't afford to live in New York City is out of control and completely unregulated security deposits. That's money that can't be used to support a family, pay for an education, medical expenses or be set aside for an emergency. It's preposterous that a landlord can demand many months' rent from a tenant and

there's little recourse if they just decide to keep it. Today, we're moving one step close to making sure no one needs to choose between renting a home and putting food on the table."

Specifically, the bills introduced today by Assemblymember Linda B. Rosenthal, Assemblymember Barnwell and State Senators Hoylman, Bailey and Ramos will:

- **Limit security-deposits to one month's rent for residential leases of at least one year.** ([A5044/S3379](#)) – Sponsored by Assemblymember Linda B. Rosenthal and Senator Hoylman.
- **Allow renters to pay security deposits in six or fewer installments instead of one lump sum.** ([A4785/S3026](#)) – Sponsored by Assemblymember Linda B. Rosenthal and Senator Bailey.
- **Establish a security deposit protection program to be administered by the Commissioner of Housing and Community Renewal. Security deposits would be held by a third-party custodian who would be responsible for the return of security deposits as well as any dispute resolution.** ([A5265](#)) – Sponsored by Assemblymember Linda B. Rosenthal and to be introduced by Senator Ramos.
- **Require landlords to return security deposits within 21 days after the lease expires.** ([S2159](#)) – Sponsored by Senator Bailey and to be introduced by Assemblymember Barnwell.

"In the absence of any meaningful regulation on security deposits, it's the Wild West for tenants. Landlords can squeeze prospective tenants for thousands of dollars and later hold on to security deposits on merely a whim, making it nearly impossible for hardworking families, and particularly low-income New Yorkers, to find safe and affordable places to call home. Taken together, these bills will help empower tenants and level the financial playing field. I am grateful to Comptroller Stringer for his groundbreaking study and look forward to working with State Senators Ramos, Bailey and Hoylman to see these bills become law," said

Assemblymember Linda B. Rosenthal.

Senator Brad Hoylman said, "Excessive security deposits are a modern day form of redlining. When landlords ask for thousands of dollars in upfront costs just to move into an apartment, they are shutting out thousands of vulnerable people—especially those from marginalized communities. For too long, we've accepted this outdated, predatory practice as the status quo. No longer. Capping security deposits will eliminate one of the major barriers that prevent tenants from accessing safe, affordable housing across our city. It's the right thing to do, and I'm proud to join Comptroller Stringer, Senator Ramos, Senator Bailey, and Assembly Member Rosenthal in the fight to make our city more fair and equitable. New Yorkers cannot afford to wait any longer."

Senator Jamaal T. Bailey said, "Housing is one of the most important and crucial issues in the

state of New York. The housing situation of an individual affects almost every aspect of their life. The current practice of unregulated security deposits is abhorrent. It is already incredibly costly to rent or purchase a home and the added cost of security deposits is an unnecessary burden. In addition to the already high cost, most landlords require that the amount be paid in full once requested. This practice is unrealistic, the average lessee is already inundated with fees and especially in emergency housing situations, these lessees may have to choose between a meal or housing. The findings from Comptroller Stringer's report, demonstrate the desperate need for regulation in this area. I along with Senator Ramos, Senator Hoylman, and Assemblywoman Rosenthal, have introduced a set of bills that would ease some of the burden that renters face. The bills range from allowing installment payments, capping the amount that can be charged, and creating a commission that would hold the deposit ensuring its return to lessee. I want to thank my colleagues for being proactive in addressing this serious issue."

Senator Jessica Ramos said, "As a renter, I have experienced first hand how New York is becoming increasingly unaffordable for working families. Exorbitant and unregulated renters' security deposits are a huge barrier to affordability. By capping security deposits, allowing renters to pay deposits in installments, and creating a tenant deposit protection program, this package of bills breaks down this barrier to renting an apartment. This package puts tenants before landlords, and paves the way for a New York built for working families."

Assemblymember Brian Barnwell said, "I'm proud to introduce legislation that will ensure a timely return of security deposits for all New Yorkers. Our legislation will make sure landlords cannot play games with security deposits, and provides a legal process that makes sure nobody is cheated out of their rightful deposit. It will also create a list of bad landlords so future individuals are warned of bad actors. These are common sense measures."

The bills introduced today in the City Council will:

- **Limiting security deposits to one month's rent** – Sponsored by Council Member Keith Powers, Council Member Carlina Rivera, Council Member Jumaane Williams, and Council Member Mark Treyger.

Co-sponsored by Council Members Cumbo, Levin, Lander, Kallos, Levine, Chin, Ayala, Van Bramer, Rosenthal, Gibson, Moya, Constantinides, Dromm, Adams, Koslowitz, Holden, Richards, Reynoso, Cornegy, Espinal, Ampry-Samuel, and Brannan.

- **Giving renters the option of paying security deposits in installments** – Sponsored by Council Member Carlina Rivera and Council Member Keith Powers.
- **Requiring security deposits on rental apartments be returned to the tenant within 60 days of the end of the lease** – Sponsored by Council Member Carlina Rivera and Council Member Keith Powers.

Council Member Keith Powers said, “There are significant costs associated with finding a new apartment in New York City, one of which are security deposits. While security deposits are typically set at one month’s rent, low-wage tenants who may be considered "high risk" can be charged a security deposit two or three times that amount. With this legislation in the City Council, a one-month cap will set expectations and make these fees predictable. New Yorkers will not only be able to make more informed housing decisions, but tenants--particularly young and low-income tenants--will not have to pay thousands and thousands of dollars to build a home here. I am glad that the City and State are through-and-through committed to finding solutions for more affordable housing for all New Yorkers.”

“Unchecked security deposits are forcing tenants to lose out and help make our city increasingly unaffordable for New Yorkers. Creating a fair system where residents know what landlords can charge them eliminates the abuse caused by bad actors in the real estate market. Along with Council Member Powers, Comptroller Stringer and our colleagues in the state legislature, we are working to put money back in the pockets of working class New Yorkers and ensure that affordable housing remains a basic human right in New York City,” said **Councilwoman Carlina Rivera**.

Council Member Jumaane Williams said, “Unscrupulous landlords frequently use security deposits not as a precaution, but as a price gauging tool, taking advantage of renters and in many cases, restricting access to housing opportunities altogether. I’m proud to be a sponsor on legislation that will curb this practice by limiting deposits to a maximum of one month’s rent, lowering the barrier for entry into a new home for New Yorkers in need. I thank Council Members Powers and Rivera for their leadership on this issue of affordability and access.”

Council Member Mark Treyger said, "We are facing an affordable housing crisis in this city, and we should be working to remove barriers that stand between vulnerable New Yorkers and housing options. Implementing this common sense regulation on security deposits means tenants are no longer at the mercy of landlords and no longer subject to this discriminatory practice that effectively disqualifies some New Yorkers from engaging with the rental process before it even starts. I'm proud to join Council Member Powers and Council Member Rivera in sponsoring this legislation so we can return a measure of affordability and accessibility to our city's working families."

According to a [report](#) from the office of New York City Comptroller Scott Stringer, New York City tenants spent \$507 million on security deposits in 2016. Often times, a security deposit for a residential lease can be equivalent to two months' worth of rent payments or more, creating serious financial burden for New Yorkers already struggling with exorbitant housing costs. In addition to security deposits, prospective renters are often burdened with fees for background and credit checks, further increasing the cost due upfront to secure housing.

These bills were released in tandem with a survey of New Yorkers about their personal experiences with security deposits. The survey is conducted by Comptroller Stringer and this coalition of State legislators. It asks New Yorkers about the burden of security deposits and gauges their interest in new, fairer options for paying security deposits. Survey results will help guide future action on making renting an apartment in the City more affordable.

A number of states, including Massachusetts, Hawaii and Delaware, have enacted legislation at the state level to prohibit landlords from taking advantage of tenants through excessive security deposits. This legislation would protect tenants entering residential leases in New York State by not allowing security deposits and any additional move in fees to exceed more than one-month's rent.

To access the Security Deposits Survey, click [here](#).