

SECURITY DEPOSIT/DAMAGES/DEBT PROTOCOL

Security Deposit

Shelter Plus Care or BRAP may pay the full security deposit on a unit in the amount equal or up to one month's unit contract rent. A security deposit will be issued on behalf of eligible participants who do not owe previous debt to any DHHS administered housing subsidy program. (See below for definition of debt)

No more than one security deposit may be granted for any participant at a given point in time. A new security deposit cannot be paid for at a new unit until the LAA has received 100% payment for the previous security deposit from either the Landlord or Tenant. A Tenant may move into a new unit before the security deposit is returned to LAA by Landlord, but the LAA is not responsible for a security deposit in the new unit.

Tenant acknowledgement of security deposit payment by the LAA should be documented on the Security Deposit Acknowledgement Form.

A security deposit paid by LAA should not be considered debt until LAA has approved a landlord submitted damage claim. Payments by tenants for security deposits paid by LAA are not required during the tenant's tenancy.

Under extenuating circumstances, a second security deposit may be required to maintain housing stability prior to receiving the original security deposit back from the previous Landlord. If all other options have been exhausted, a second security deposit may be issued in a new unit under these circumstances:

- Lead paint issues with children under the age of 6
- HQS failure after 30 days of original inspection due to landlord inaction (*This does not apply to deficiencies resulting from the action of the tenant*)
- Household composition changes due to minor children leaving/joining that requires a unit size change
- Condemned building as documented by a Code Enforcement Officer or Town Official
- Landlord foreclosure without identification of a successive owner
- Unlawful retention of security deposit including but not limited to landlord not submitting itemized list or charging for unwarranted damages

Damage Claims

When a participant vacates a unit, the Landlord must request a move out inspection prior to repairs being made to the unit. At the move out inspection, the LAA will review the Damage Claim Protocol with Landlord.

If the security deposit is not sufficient to cover amounts the tenant owes, the owner may collect the balance from the tenant. Upon receipt of written documentation of such claims and demonstration of proof of attempts to collect such debt from tenant, the owner may request reimbursement from the LAA.

The Landlord may claim reimbursement from the DHHS Subsidy Program by completing a written itemized damage claim request and submitting it to the LAA. The landlord may request unpaid rent payable by the tenant, any damages to the unit beyond normal wear and tear or any other amounts that the tenant owes under the lease. The claim must include documentation and the amount of each item and must be submitted in the timeframe as established by State of Maine law.

The LAA shall review the request and make a determination as to whether the damages meet the criteria established above. If the LAA determines that damage is incurred, the landlord will receive compensation from the program.

Damages requested may not exceed two-month's contract rent minus any security deposit paid for the unit by any party. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the party who paid the security deposit.

LAA will notify the tenant in writing to their last known mailing address regarding such damages, retention of security deposit, documentation of tenant rent owed, or any other lease violation(s) resulting in debt owed by the tenant. The tenant letter will include an attachment of the DHHS Subsidy Appeals Procedure.

Tenants will not be held responsible for the repayment of a security deposit if it is shown that is being unlawfully withheld. The LAA, with support from DHHS, must make a good faith attempt to recover the security deposit from the landlord.

Debt

Program debt is defined as:

- Damage Payment(s)
- Tenant HAP owed to program for income not reported

LAA staff will complete a Payment Contract Form with tenant for any money owed to the DHHS Subsidy Programs.

Current program tenants must pay 100% of all debt prior to moving into a new unit.

Former participants who are applying to re-enter a DHHS Subsidy Program must either:

- Repay 100% of any debt owed before a voucher is awarded OR;
- In lieu of 100% payment of debt, a tenant may establish themselves with a legally assigned Representative Payee and complete a documented payment plan not to exceed 12 months OR;
- Charges may be adjudicated through the DHHS Appeals Procedure or DHHS Grievance Process.

Under extenuating circumstances, a tenant with debt will be required to move. A tenant is allowed to move to a new unit under these circumstances:

- Lead paint issues with children under the age of 6
- HQS failure after 30 days of original inspection due to landlord inaction (*This does not apply to deficiencies resulting from the action of the tenant*)
- Household composition changes due to minor children leaving/joining that requires a unit size change
- Condemned building as documented by a Code Enforcement Officer or Town Official
- Landlord foreclosure without identification of a successive owner
- Unlawful retention of security deposit including but not limited to landlord not submitting itemized list or charging for unwarranted damages

A security deposit paid by LAA should not be considered debt until LAA has approved a landlord submitted damage claim. Payments by tenants for security deposits paid by LAA are not required during the tenant's tenancy.

Debt to the BRAP or Shelter Plus Care (SPC) program for any tenant who terminated 7 or more years from the date of termination is to be forgiven and should be noted as uncollectable.