

SECURITY DEPOSIT COLLECTION POLICY

Amount of Deposit - determined based on property type: HUD, USDA-RD, Housing Credit or Market. The Security Deposit amounts are determined as follows:

HUD/PHA: based on the type of housing program; the date the AHAP or HAP contract was signed; and the amount of the *total tenant payment* (TTP). The total tenant payment will be the same as tenant rent if the property does not have a utility allowance for residents.

EXCEPTION: Section 8/202 and PRAC properties will have a \$ 50 minimum Security Deposit as required by the HUD Program.

USDA-RD: based on amounts that are typical for the area or no more than one month's *Basic* rent, whichever is greater.

Housing Credit or Market: based on amounts that are typical for each area or at the Owner's request. An additional deposit of \$ 250 will be charged in cases where the applicant does not meet the leasing desk score required. *Note: The total Security Deposit plus any additional required deposits (i.e. Pet) must not exceed \$ 1.00 less than "one month's unit rent". (OneSite will need to be updated if there are approved Security Deposit changes so that ledgers and leases will have the correct amounts.)*

Deposit Changes: For HUD and USDA-RD the amount of Security Deposit is established at move-in and is not changed when the resident's rental amount or housing assistance program changes.

Unit Transfers: If the property is HUD or USDA-RD the original amount of Security Deposit will remain the same for any size unit change. If the property is Housing Credit or Market, in cases of moving from a *smaller* to a *larger* unit as a result of a resident request, the deposit will be **increased** accordingly. If moving from a *larger* to a *smaller* unit, the original deposit will remain the same.

Collection of Deposit: **The entire deposit must be charged in the system by the move-in date.** It is the first charge made for a resident. (Market/Housing Credit: Deposit will be charged when the applicant has been assigned to a unit.) All payments will automatically be applied to oldest charges first, i.e. to the Security Deposit first. (N/A for HUD and USDA-RD) **All Security Deposits must be paid in full by the move in date.** See exceptions below:

HUD, PHA and USDA residents who cannot pay the full amount of their Security Deposit by move-in may be placed on a payment plan. Should installments not be met, the total charge may become due and payable in full. See USDA-RD HB-2-3560, Section 2, Paragraph 7.8, B; or HUD 4350.3 REV-1, Change 4, Chapter 6; Paragraph 6-15, H. Use Form RA-8hr "Agreement to Pay Security Deposit" and its form instructions.

Interest on Deposits (HUD and USDA-RD only) - Effective **May 14, 2004** the interest on the resident's Security and/or Pet Deposits will be calculated**, credited** and listed on the Security Deposit Disposition report that is given to the resident at *move-out*. The interest rate used will be the actual rate that is listed on the bank statement for the month that the "Disposition" is being processed.

****EXCEPTION:** For *HUD 202/S8 and PRAC properties*, interest will be calculated and credited to the applicable residents' accounts annually until move out occurs. The interest must be entered into the resident accounts between December 20 and December 31 every year using the December bank statement.