

\*\*\* RENTAL SECURITY DEPOSITS \*\*\*

1. Landlords may demand a security deposit of from 1 to 3 months rent before signing a rental contract. The principle behind this is that he is in a position to deduct from it, when the lease terminates, any expenses to repair damage caused by the tenant.
2. Responsibility for the deposit and its recovery is the Trade Commissioner's.
3. If the money has been paid to the landlord in cash, there may be an understandable reluctance on the part of the landlord to surrender the funds, which leads to an earnest effort to find enough damages to match the amount of the deposit. This is particularly possible when the lease has been of long duration.
4. In order to minimize the temptations to the landlord to exaggerate his claims upon termination of the lease, it is suggested that foreign service personnel get their local bank to hold the deposit in suspense for the duration of the lease. Most banks are prepared to do this for a modest fee and will not release the deposit in full or in part to either tenant or landlord without the written consent of both.

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