

Security Deposit Interest Information

As required by the city of Berkeley, Sullivan Management follows the following ordinance for all properties located in the city of Berkeley. The following outlines the ordinance and its contingencies.

The Berkeley Rent Stabilization Ordinance requires landlords to pay tenants interest on their security deposits while being held by the landlord. A security deposit for a residential rental unit is defined as any payment, fee, deposit or charge, that is imposed at the beginning of the tenancy as an advance payment of rent, or to be used for any purpose, including recovering rent defaults, repairing damages caused by the tenant, or cleaning. This does not include an application or screening fee, which must not exceed \$41.72. Money paid as the first month's rent isn't considered a security deposit, but money paid in excess of the first month's rent (including that which is called "last month's rent") is considered part of the deposit. The payments are to be made annually each December during the tenancy, either as a cash payment or rent rebate, and the balance is paid upon the tenants' departure from the rental unit. (Berkeley Municipal Code section 13.76.070.)

More information can be found directly on the city of Berkeley website at:

<http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=28770>