

Can You Use Your Security Deposit As Your Last Month's Rent?



When a tenant signs a lease and occupies a property, they are often required to pay the first month's rent along with a security deposit. The security deposit is viewed as a safety net for the landlord and it helps protect them from the cost of property damage and excessive repairs. It is not intended to be used as payment for the last month's rent.

Property Returned in Good Condition

Most rental contracts specifically address how the security deposit is to be used to ensure the tenant leaves the rental in good condition. If a tenant fails to leave a rental in good condition, and the landlord must spend money to correct problems caused by the tenant, the security deposit can be used to cover the expenses.

When a lease is close to terminating, and it becomes near to when a tenant has agreed to move out, the security deposit can become a point of strain in the landlord-tenant relationship. Some tenants may need the extra cash to secure a new rental situation. Perhaps others assume their landlord won't need the deposit because they will be leaving the property in good condition. These thoughts may prompt tenants to consider using their security deposit as their last month's rent.

Recovering the Cost of Repairs

Problems occur when repairs are needed and landlords have few options other than to sue tenants to recover their costs. Tenants should know that the security deposit is designed to cover such costs and that it's risky to force a landlord to repair problems they may have caused. Without the protection for damages provided by the security deposit, a landlord may need to apply for an eviction lawsuit which could adversely affect the tenant's credit record.

A landlord can send a termination notice and follow up with an eviction lawsuit against a tenant who fails to pay their last month's rent. The tenant will certainly receive a poor character reference from the landlord and their credit can be ruined. Each state has specific laws when it comes to dealing with the security deposit. Landlords and tenants should become familiar with the laws to make sure they follow them correctly.

Building Relationships

Many landlords no longer require tenants to pay the last month's rent at the beginning of a lease because they trust renters and want to make it easier for them to rent. Tenants who want to use their security deposit as their last month's rent shouldn't surprise their landlords or abandon their rental unit— they should reach out in advance and talk openly about their intentions. With proper communication and the landlord's approval, a potentially harmful situation can be successfully avoided.

Security deposits cannot be used to pay the last month's rent unless the landlord specifically agrees to allow it. Many tenants feel entitled when leaving a property, especially if they have had a bad experience or haven't had a good working relationship with their landlord. However, tenants should act in good faith, play it safe and communicate openly. When they fulfill their commitment to pay last month's rent they help keep their credit in good standing and make renting easier for everyone.