

# Security Deposit Trust Account Requirements

## The Residential Tenancies Act:

- Requires that a landlord maintain security deposits in a trust account in a chartered bank, trust company or credit union, or invest in a government-backed guaranteed investment certificate.

## Reference:

*Residential Tenancies Act:* Section 12; Regulations: Sections 5 - 22

## Details:

Occasionally, either through mediation activities or through the hearing process, a Residential Tenancy Officer discovers that a landlord is not meeting the requirements of Section 12 of the *Residential Tenancies Act*. It is the responsibility of the Officer to formally notify the landlord of their obligation to maintain security deposits in a trust account. The landlord's progress in achieving compliance must also be monitored.

## Procedure:

If the landlord's failure to comply with Section 12 becomes known through a hearing process, the resulting Director's Order must reference the Section 12 contravention of the *Residential Tenancies Act*.

The Residential Tenancies Officer shall, within 10 days of learning of the contravention, forward a letter to the landlord advising them of their obligations under Section 12, and requesting written verification of compliance.

A copy of the letter is forwarded to the Director of Residential Tenancies.

The Director will carry out any necessary follow-up activities, including referral for prosecution.