

Removing the Barrier of Security Deposits

Policy

New York City will take the first steps to remove the barrier of security deposits and put money back in the pockets of hardworking New York renters. Starting with City-financed homes, we will offer renters a choice to pay a security deposit or to sign up for renter security insurance that allows small monthly payments or a smaller single upfront payment in lieu of the full month deposit. We will put the necessary guardrails in place to make sure renters are both protected and gain the benefit of having the choice of deposit free renting.

Then we'll work with our partners in city and state government on appropriate legislation to expand these options citywide.

Impact

Every year over 300,000 households rent a new apartment and an estimated \$500 million is locked away in new security deposits, unusable to cash-strapped renters. The upfront cost of moving, including the security deposit, is a barrier to greater mobility and choice. Our new programs will reduce this barrier and free up needed cash for hard working New Yorkers. The City will extend this option in our City-financed housing, reaching up to 60,000 families. We will also advocate for the necessary legislative changes to expand the use of these alternative options, with appropriate protections, to the private market – potentially benefiting all of New York's 2.2 million rental households.