



## Rental Bonds

Policy Category	1. Tenancy	Policy Number	1.3
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### **Purpose:**

To define the way that rental bonds are calculated and the manner in which they may be paid and claimed. This Policy applies to all tenants of housing managed by Homes Out West (HOW).

### **Policy:**

All tenancies are subject to the payment of a rental bond by the tenant.

In general, the amount of bond charged will be equivalent to 3 weeks of the market rent of the property being leased. All applicants for housing will be informed of the rental bond policy at the time that they accept the offer of housing.

If the tenant is unable to pay the bond at the time a Residential Tenancy Agreement is signed, HOW shall require that the tenant pay at least half of the Bond amount. An agreement to pay off the bond amount required over three months must be entered into with the approval of the Housing Services Manager.

The Fee for Service properties may include different rules around the bonds – refer to each Fee for Service contract for directions.

### Transitional Housing Properties:

Under the terms of the Memorandum of Understanding between the members of the Southern Murrumbidgee Homelessness Action Alliance (the MOU), where an eligible client does not have the resources to meet the bond payment to commence the tenancy, Homes Out West will allow the tenancy to commence with no up-front bond payment. A repayment schedule will be applied for a period of no more than three months to ensure the tenant has accumulated a bond for their transition to general or social housing. In these instances, YES Unlimited and Vinnies Services Deniliquin will arrange for brokerage funds to be made available to the client to remedy a breach (damage) up to the value of the unpaid portion of the bond for the cost of repairs incurred during, or at the end of the tenancy. See Attachment H of the MOU – Bond and Repair Cost Guarantee Form.

Bond amounts for the properties included in schedule A of the MOU will be calculated

by Homes Out West based on CRA based rent amounts rather than market rent for each property.

**References and related documents:**

<p>Service Standards, Contractual requirements and Legislation</p>	<p><u>National Community Housing Standards</u>            1.1 Allocation of Housing            1.2 Establishing and Maintaining Tenancies            1.4 Ending Tenancies  <u>National Regulatory System for Community Housing (NRSCH) Performance Outcomes</u>  <ul style="list-style-type: none"> <li>• Performance Outcome1: Tenant and Housing Services</li> </ul> <u>Contractual requirements</u>  <ul style="list-style-type: none"> <li>• NSW Housing Pathways</li> </ul> <u>Legislation</u>  <ul style="list-style-type: none"> <li>• Residential Tenancies Act 2010 (NSW)</li> <li>• Residential Tenancies Regulation 2010 (NSW)</li> <li>• Housing Act 2001</li> <li>• Community Housing Providers (Adoption of National Law) Act 2012 (NSW)</li> </ul> </p>
<p>Homes Out West Policies</p>	<ul style="list-style-type: none"> <li>• Tenancy Agreement</li> <li>• Complaint and Appeals</li> </ul>
<p>Housing Pathways Policies and Processes</p>	<ul style="list-style-type: none"> <li>• Managing the NSW Housing Register Policy</li> </ul>
<p>Related documents</p>	<ul style="list-style-type: none"> <li>• Rental Bond Lodgement form (NSW Fair Trading, only available by download on Rental Bonds Online)</li> <li>• Claim for Return of Bond Money (NSW Fair Trading)</li> <li>• Bond Repayment Agreement</li> <li>• Southern Murrumbidgee Homeless Action Alliance M.O.U. Attachment H Bond and Repair Cost Guarantee Form</li> </ul>

**Procedure and Guidelines:**

Bond Lodgment

The bond will be lodged with the NSW Rental Bond Board in accordance with the relevant legislation.

Full bond amounts: HOW can lodge this on the tenant's behalf. A Rental Bond Lodgment Form will be available to be completed at the time of signing the lease. HOW will make the tenant aware of the option to lodge their bond with Rental Bonds Online (RBO) if they choose and will assist the tenant to do so, if required.

Less than full bond amount: A Rental Bond Lodgment form must be completed along with a copy of the bond repayment agreement. The agreement will specify that additional monies that the tenant pays will go towards the remaining bond amount once the tenant is 2 weeks in advance in their rent.

The agreement will be placed on the tenant file and the tenant given a copy.

### Transfer of Bond

Bonds can be transferred to a new tenancy if:

- the same tenants are all moving to the new tenancy;
- HOW agrees and is not claiming any of the bond.

The tenant will be required to fill in a 'Transfer of Bond' form (from Fair Trading) and have it signed by:

- all the tenants named on the bond deposit notice;
- HOW.

### Claiming the Bond Back

At the end of the tenancy, under the *Residential Tenancies Act 2010* (NSW) the tenant's obligation is to:

- Remove all goods (section 51(3)(a));
- Leave the premises in the same condition as at the start of the tenancy, except for fair wear and tear (section 51(3)(b));
- Remove all rubbish, and leave the premises reasonably clean, having regard to the condition of the premises at the start of the tenancy (section 51(3)(c) and (d)); and
- Return all the keys to HOW (section 51(3)(e)).

'Fair wear' is any damage done by the ordinary use of a thing (for example, carpets becoming worn by walking on them); 'fair tear' is any damage done through the action of the elements (for example, curtains fading in the sunlight).

### What Homes Out West May Claim:

The main reasons a claim may be lodged against the bond are:

- if the tenant still owes any rent or has unpaid water usage bills
- if the tenant doesn't hand back all the copies of the keys given, and the locks need to be changed
- if the tenant caused damage or did not leave the premises in a reasonably clean condition, compared to the original condition report, apart from 'fair wear and tear'.

This is not an exhaustive list. There may be other legitimate reasons for HOW to make a claim against the bond.

### Claim by Homes Out West with Agreement

It is best if the tenant can come to an agreement with HOW in regard to the Bond Claim, both parties will sign the Bond Claim Form and the bond can be paid without delay.

### Claim by Homes Out West without Agreement

If HOW wants to make a claim from the bond without the tenant's agreement, within 14 days of making the claim HOW must provide the tenant with:

- a copy of the condition report completed at the end of the tenancy agreement
- copies of estimates, quotes, invoices or receipts for work HOW is claiming.

Fair Trading will provide the tenant with written notice that HOW has made the claim. To dispute HOW's claim, the tenant must:

- apply to the NSW Civil and Administrative Tribunal (NCAT) for an order to pay all or part of the bond to them (within 14 days of receiving the claim notice)

- give written notice to Fair Trading that they have made the application.

NCAT will decide how the bond is paid out. The tenant can still apply to NCAT for a refund of all or part of the bond, even if Fair Trading has paid HOW's claim. The tenant must apply within 6 months after the bond is paid out.

#### Tenant has Claimed Their Bond

If a tenant decides to claim their own bond and there is money outstanding to HOW for rent arrears or non-rent, then the CSO must apply to NCAT to freeze the bond. Once the tenant has put a claim in on the bond HOW will receive notification from NSW Bonds On Line, the application to NCAT must be done within 14 days. Once application is made the CSO needs to log onto NSW Bonds on Line and opt to disagree with the bond being released to the tenant, at this point the CSO will have to enter the NCAT hearing number, this will automatically freeze the bond.