



City of Chicago
Richard M. Daley
Mayor

Department of Housing
John G. Markowski
Commissioner



**RESIDENTIAL LANDLORD AND TENANT ORDINANCE
Rate of Interest on Security Deposits**

Municipal Code Chapters 5-12-080, 5-12-081 and 5-12-170

- A landlord must give a tenant a receipt for a security deposit that includes the owner’s name, the date it was received and a description of the dwelling unit. The receipt must be signed by the person accepting the security deposit.
- A landlord must pay interest each year on security deposits (eff. 11-6-86) and prepaid rent (eff. 1-1-92) held more than six months.
- The rate of interest that a landlord must pay is set each year by the City Comptroller (eff. 7-1-97).
- Before a landlord can deduct expenses for damages from the security deposit, the landlord must provide the tenant with an itemized statement of the damages within 30 days of the date the tenant vacates the dwelling unit.
- Within 45 days of the date the tenant vacates the dwelling unit, a landlord must return all security deposit and required interest, if any, minus unpaid rent and expenses for damages.
- In the event of fire, a landlord must return all security deposit and required interest, if any, minus unpaid rent and expenses for damages, within seven days from the date that the tenant provides notice of termination of the rental agreement (eff. 1-1-92).

Under Chapter 5-12 of the Municipal Code of Chicago sections 5-12-081 and 5-12-082, the City Comptroller shall calculate and announce on the first business day of each year, the rate of interest to be paid on security deposits. As of January 1, 2004, based on information from the City Comptroller’s Office, the interest rate to be paid on security deposits is **0.42%**. This rate is based upon the average of the rates of interest, as of December 31, 2003 of the following types of accounts at Bank One, which is the commercial bank having its main branch located in the City of Chicago and having the largest total asset value: Passbook Savings 0.30 percent; Insured Money Market 0.35 percent; and Six-month Certificate of Deposit (based on a deposit of \$1,000) 0.60 percent.

Security Deposit Interest Rate

Current rate – January 1, 2004 through December 31, 2004	0.42%
January 1, 2003 through December 31, 2003	0.52 %
January 1, 2002 through December 31, 2002:	0.83 %
January 1, 2001 through December 31, 2001:	3.10 %
January 1, 2000 through December 31, 2000:	2.71 %
January 1, 1999 through December 31, 1999:	2.63 %
January 1, 1998 through December 31, 1998:	3.38 %
July 1, 1997 through December 31, 1997:	3.42 %
Before July 1, 1997:	5.00 %

For a copy of the complete Residential Landlord and Tenant Ordinance, visit the Office of the City Clerk, Room 107, City Hall, 121 N. LaSalle St. For a copy of the Residential Landlord and Tenant Ordinance Summary, visit the City of Chicago Department of Housing at 318 S. Michigan Ave. or call 311.