

## RENT ESCROW

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The prime complaint that most tenants have against their landlords concerns the lack of decent maintenance. When approaching their landlords about needed repairs, tenants are often treated with indifference approaching hostility. Therefore, many tenants feel that they have the right to withhold rent – to put it into “escrow”, i.e. keep it in their own bank account until the repairs are made. This is not the legal way to establish rent escrow.

Rent escrow is a procedure established by a judge, and involves paying rent to the court until needed repairs are made. Rent escrow laws cover situations that could threaten the life, health, and safety of the tenant: defective heating equipment, bad plumbing, bad wiring, structural defects such as a leaking roof, defective stairs, lack of heat and hot water when the landlord is required by lease to provide them, etc. In multi-family dwellings, rodent and vermin infestation, etc. are also situations in which rent escrow applies. Rent escrow laws do not cover such items as lack of fresh paint, worn wall-to-wall carpeting, small cracks in the walls and/or ceiling, etc.

If a tenant wished to put rent into escrow, the first step in the procedure is for the tenant to inform the landlord of the needed repair by certified mail (a written notice from a housing inspector is also considered sufficient). The landlord must be given reasonable time to make the needed repairs – beyond 30 days is normally considered unreasonable.

If the landlord does not make the repair, the tenant may file for a rent escrow hearing. The court will then hold a hearing to listen to both sides of the story. Some tenants, however, after sending a certified notice and giving their landlords reasonable time, withhold rent and are taken to Rent Court by their landlords. The tenant may request rent escrow at that point in court as well. Although normally this is a faster process, it does involve some risk for the tenant – if the judge does not grant escrow, the tenant may have to pay late charges and court costs.

To establish rent escrow, the tenant’s case must include the following:

- proper notice to the landlord
- needed repairs which could affect the life, health and safety of the tenant
- damages which were not caused by the tenant
- a condition that has not been remedied
- the tenant has not refused reasonable entry for the landlord to make the repair
- the tenant has a good rent record

The tenant must also have the **full rent to pay to the court.**

If a decision is reached in favor of the tenant, the judge may order the landlord to:

- make the needed repair
- reduce the rent to an amount that fairly represents the condition of the premises
- order the rent to be paid to the court with a refund of part of the rent to be given to the tenant when the repairs are made

If the tenant desires, the judge **may** also end the tenancy.

This information was created by Baltimore Neighborhoods, Inc.,  
a local, non-profit organization seeking justice in housing.

The hope in a rent escrow situation is that the landlord will make the needed repairs after receiving the tenant's certified letter, so that the tenant will not have to go to court. This is more likely if the tenant also files a complaint with a local housing inspector.

Baltimore City law now allows rent escrow to be used to cover items not essential to health and safety, if such items were promised in the written lease or in a written inducement to rent. Such items can include failure to repair a dishwasher, or to provide promised free parking, for example.