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Rent Escrow Part 1 – What is Rent Escrow?

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### Introduction

Hello and welcome to part one of this two-part series about rent escrow. Rent escrow is a legal process tenants may use to force landlords to repair serious or dangerous conditions in rental property. In this video, we will explain rent escrow and how it works. We will provide examples of the types of serious housing problems and defects that may qualify for rent escrow. Be sure to check out the second part in this series where we explore how to file a rent escrow case and what may happen at the court hearing. For information on rent court, look in the video library for the titles *Rent Court for Tenants* and *Rent Court for Landlords*. Let's get started.

### What is Rent Escrow?

Landlords in Maryland must keep rental property up to code and prevent conditions that are a serious threat to the life, health, or safety of their tenants. If a landlord does not keep the property in good repair or fails to fix serious or dangerous problems in a rental unit, a tenant may file a rent escrow case in the District Court.

In a rent escrow case, a tenant asks the court to force the landlord to make repairs. Instead of paying rent to the landlord, the tenant pays rent into an escrow account at the court. The court will hold the tenant's money until a judge makes a decision about the conditions of the property. Tenants may get back all, some, or none of their rent, depending on the seriousness of the conditions and how long it takes the landlord to repair the problem. Tenants may also raise a serious health or safety issue as a defense in a "Failure to Pay Rent" case to explain why rent was not paid. The notice requirements described in this video, and information about what the tenant must prove still apply in Failure to Pay Rent cases.

Before withholding rent, a tenant must notify the landlord about the problems in the unit and allow a reasonable time for the landlord to make repairs. The best way give notice to the landlord is to do so in writing, so you have proof. Tenants should keep a copy of any letter, text message, or email that was sent.

# What Problems May Qualify?

Not all conditions qualify for a rent escrow case or rent escrow defense. Problems covered by the rent escrow law must be a substantial and a serious threat to a tenant's life, health and safety. Small cracks in the floor, for instance, are not a substantial threat. Neither is a sloppy paint job or ugly carpet.

Examples of serious conditions that may qualify include no heat in the winter, no electricity, or no running water. Rodent infestation, mold, bedbugs, and sewage back up may also qualify for a rent

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escrow case. So may lead paint. Other examples of qualifying serious conditions include structural defects that are a serious threat to physical safety or fire hazards as long as they were not caused by the tenant.

## Landlord's Time to Repair

How long does the landlord have to make repairs? That depends on how serious the problem is and how much danger the occupants are in. Usually, the court will consider it unreasonable for a landlord to take more than 30 days to make repairs once they are made aware of the problem. The court may find that more than 30 days is reasonable depending on nature of the problem. A county or city housing inspector may give the landlord a shorter deadline to make repairs. If so, the court may consider the housing inspector's deadline to be reasonable.

One more thing before we review. If you have questions, get help. Tenants and non-business landlords may receive free advice, but not representation from lawyers at the Maryland Court Help Center. Call 410-260-1392 or visit mdcourts.gov/helpcenter to speak to a lawyer.

## Let's Review

Let's review what you have learned. If a tenant gives their landlord notice and the landlord does not make the repairs in a reasonable amount of time, the tenant can file a rent escrow case with District Court. The tenant may ask the court to take several different actions. This includes asking the court to order the landlord to make repairs or the tenant may ask the court to end the lease so they can move out. Finally, the tenant may ask the court to reduce the amount of rent due to the landlord because of the poor conditions or until the landlord completes the court-ordered repairs. Watch Part two of this series titled, *The Rent Escrow Process* to learn about how to file a rent escrow case, and what may happen at the hearings. Thanks for watching.

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