

# Bonds

A bond is a security deposit (usually equal to one month's rent) that you pay to the landlord or their real estate agent at the start of your tenancy. At the end of your tenancy the landlord may be able to claim all or part of your bond as compensation for any damage to the property or for unpaid rent.

➡ If you pay a bond, the landlord or agent must give you 2 copies of a Condition Report signed by the landlord. See the **Starting a tenancy** fact sheet for more information.

When you pay a bond, you and the landlord or agent must sign a completed Bond Lodgement form from the Residential Tenancies Bond Authority.

If the Director of Housing (DoH) is paying for your bond under the Bond Loan Scheme, you will need to sign a completed DoH Bond Lodgement form. If the DoH is paying for part of your bond, you must use a DoH Bond Lodgement form for the amount that they are paying, and a Bond Authority Bond Lodgement form for the rest of the bond.

The landlord or agent must give you a copy of the form (or forms), which you should keep as a record of your bond payment.

The landlord or agent must then lodge your bond money and the Bond Lodgement form (or forms) with the Bond Authority within 10 business days of you paying it. You should receive confirmation from the Authority that the landlord or agent has lodged your bond. If you don't receive a receipt within 15 business days, you should contact the Residential Tenancies Bond Authority on ☎ 1300 137 164 (local call cost).

## When you move out

If you move out of the property and someone else takes over your tenancy, you must notify the Bond Authority within 5 days that your interest in the bond has been transferred to the new tenant. You can do this by filling in a Bond Transfer form (which must be signed by you, the new tenant and the landlord or agent) and sending it to the Bond Authority. The Bond Authority does not release the bond money until the end of the tenancy so it's up to you to arrange for payment from the new tenant. You should collect the payment before signing the Bond Transfer form.

Your bond is held with the Bond Authority until the end of the tenancy, when a number of things can happen:

- > your landlord makes no claim against your bond
- > you agree with your landlord about an amount to be paid to them out of your bond
- > you can't reach an agreement with your landlord and they apply to the Victorian Civil and Administrative Tribunal for an order that they be paid some or all of your bond
- > you apply to the Tribunal for the return of your bond

## Your landlord makes no claim

If your landlord agrees that they won't be making a claim against your bond, you and the landlord must apply to have the bond money returned to you. You must both sign a Bond Claim form, and on the form you must provide details of the bank account that you want the money to be paid into. Once the form is lodged with the Bond Authority, your bond should be paid into the nominated bank account on the next business day.

➡ To prevent the landlord or agent from making a fraudulent claim, do not leave any \$ amount sections blank on the Bond Claim form. If the bond is to be paid to you in full, make sure you write the full amount of the bond in the 'Tenant payment details' section, and write the word 'zero' or draw a line through the 'Total amount payable to Landlord/Agent if applicable' section. Make sure you keep your copy.

If your bond was paid by the Director of Housing under the Bond Loan Scheme and the landlord isn't making any claim against it, you and your landlord or agent will need to complete a Bond Claim form and the bond money will be paid back directly to the Office of Housing.

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## You agree with your landlord

If you agree that the landlord is entitled to some or all of your bond money, you can agree to have that amount paid out to them. Both you and the landlord must fill out the Bond Claim form, stating how much of the bond is to be paid to the landlord and how much is to be paid to you.

➡ If the bond is to be divided between you and the landlord, make sure you write the appropriate amounts in the 'Tenant payment details' section and the 'Total amount payable to Landlord/Agent if applicable' section. Check that these amounts add up to the total amount of the bond.

The Bond Claim form should not be completed before the last week of your tenancy. If the form is dated more than 7 days before the end of your tenancy, the Bond Authority won't accept it.

If your bond was paid by the Office of Housing under the Bond Loan Scheme, you cannot agree to have part of it paid out to the landlord. The landlord or agent must apply to the Tribunal for an order that they receive all or part of the bond. The Tribunal will notify the Office of Housing about any decision they make regarding bond paid under the Bond Loan Scheme.

## Your landlord applies to keep your bond

If you disagree with the landlord or agent as to how your bond money should be paid out, they must apply to the Victorian Civil and Administrative Tribunal for an order that they be paid part or all of the bond. They must lodge the application within 10 business days of your tenancy ending.

If the landlord or agent applies to the Tribunal within 10 business days, you will be sent a copy of their application and a Notice of Hearing from the Tribunal. If you want to defend your landlord's claim on your bond money you must go to the hearing.

## Applying to the Tribunal for return of your bond

You can also make your own application to the Tribunal if you think that some or all of the bond should be returned to you. Attach a copy of your bond receipt to the application.

You can apply to the Tribunal any time after you move out.

There is no application fee for applying for the return of your bond.

## Tribunal hearings

Whether it is you or the landlord who applies to the Tribunal, you should take the following information with you to the hearing:

- > the date that you started the tenancy and the type of tenancy (fixed term or periodic ie month to month)
- > the amount of bond paid
- > the amount of notice given to end the tenancy, either by you or the landlord
- > evidence about the condition of the property at the start of the tenancy (ie the Condition Report if you have one)

➡ If your bond was paid under the Bond Loan Scheme and the landlord succeeds in making a claim against it, you will still need to repay the bond loan to the Director of Housing. An unpaid debt to the Director of Housing can affect any future applications that you make for public housing or a bond loan.

For more information on defending a landlord's claim on your bond, see the ***Defending a compensation claim*** fact sheet or contact the Tenants Union.

If the Tribunal decides that you will get some or all of your bond back, you will still have to complete a Bond Claim form for the money to be released from the Bond Authority. Attach a copy of the Tribunal order to your Bond Claim form.

When more than one tenant is named on the bond receipt (eg in a shared household), you and the other tenants will need to agree as to how the bond should be paid out. For example, you could agree that a smaller share be paid to one tenant who caused damage to the property that resulted in the landlord claiming part of the bond.

**For more information phone the Tenants Union Advice Line on ☎ (03) 9416 2577.**