New York Security Deposit Laws: Limits, Deductions and Deadlines

Summary for landlords and property managers. Last reviewed October 29, 2026. Full guide: https://www.generationadvisory.com/laws/new-york-security-deposit-laws

New York limits deposits to one month of rent for most rentals and gives landlords 14 days after move out to return the money with an itemized statement. Missing that deadline costs the landlord the right to keep any of it.

Key points

- For most rentals, the deposit and any advance payment together may not exceed one month of rent.
- The landlord must return the deposit, minus lawful deductions, within 14 days after the tenant moves out.
- Any deductions must be listed in an itemized statement sent within the same 14 days, and a tenant who asks may get a pre move out inspection to fix problems first.
- In buildings with six or more units, the deposit must earn interest for the tenant, and the landlord may keep 1 percent a year as an administrative fee.
- A landlord who misses the 14 day deadline loses the right to keep any part of the deposit, and a willful violation can bring punitive damages of up to twice the deposit.

New York at a glance

Rule	New York	Law
Deposit limit	For most rentals, the deposit and any advance payment together may not exceed one month of rent.	General Obligations Law section 7-108
Deadline to return the deposit	The landlord must return the deposit, minus lawful deductions, within 14 days after the tenant moves out.	General Obligations Law section 7-108
Itemized deductions	Any deductions must be listed in an itemized statement sent within the same 14 days, and a tenant who asks may get a pre move out inspection to fix problems first.	General Obligations Law section 7-108
Interest on deposits	In buildings with six or more units, the deposit must earn interest for the tenant, and the landlord may keep 1 percent a year as an administrative fee.	General Obligations Law section 7-103

Rule	New York	Law
Penalty for wrongful withholding	A landlord who misses the 14 day deadline loses the right to keep any part of the deposit, and a willful violation can bring punitive damages of up to twice the deposit.	General Obligations Law section 7-108

Mistakes to avoid

- Skipping a dated move-in condition report with photos, then having nothing to compare against at move out.
- Charging for normal wear and tear.
- Missing the return deadline, even by a few days.
- Not asking for a forwarding address before the tenant leaves.
- Losing track of deposit money by mixing it with operating funds without a ledger.

Verify current law

Laws named in this summary:

- General Obligations Law section 7-108
- General Obligations Law section 7-103

Official sources:

- New York State Senate: Consolidated Laws of New York: https://www.nysenate.gov/legislation/laws/CONSOLIDATED
- New York State Unified Court System: Housing Court and evictions: https://www.nycourts.gov/courts/nyc/housing/

> General information, not legal advice. Check current law and talk to a New York attorney before you act. Last reviewed October 29, 2026.