

North Carolina 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/north-carolina-security-deposit-laws>

The North Carolina Tenant Security Deposit Act caps deposits by the length of the tenancy, requires the money to be held in a trust account or covered by a bond, and gives landlords 30 days to account for it after move out.

Key points

- A deposit may not exceed two weeks of rent for a week-to-week tenancy, one and a half months for month-to-month, and two months for longer terms.
- The landlord must return the deposit, with an itemized list of any damage, within 30 days after the tenancy ends, or send an interim accounting then and a final one within 60 days if the claim is not yet known.
- Deductions must be itemized in writing, may not cover normal wear and tear, and may not exceed the landlord's actual damages.
- A landlord who willfully fails to follow the deposit, bond or notice rules loses the right to keep any part of the deposit, and the tenant may sue for the balance.
- State law generally does not require landlords to pay interest on deposits.

North Carolina at a glance

Rule	North Carolina	Law
Deposit limit	A deposit may not exceed two weeks of rent for a week-to-week tenancy, one and a half months for month-to-month, and two months for longer terms.	N.C. General Statutes section 42-51
Deadline to return the deposit	The landlord must return the deposit, with an itemized list of any damage, within 30 days after the tenancy ends, or send an interim accounting then and a final one within 60 days if the claim is not yet known.	N.C. General Statutes section 42-52
Itemized deductions	Deductions must be itemized in writing, may not cover normal wear and tear, and may not exceed the landlord's actual damages.	N.C. General Statutes section 42-52
Interest on deposits	State law generally does not require landlords to pay interest on deposits.	Tenant Security Deposit Act (no interest rule)

Rule	North Carolina	Law
Penalty for wrongful withholding	A landlord who willfully fails to follow the deposit, bond or notice rules loses the right to keep any part of the deposit, and the tenant may sue for the balance.	N.C. General Statutes section 42-55

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:

- N.C. General Statutes section 42-51
- N.C. General Statutes section 42-52
- Tenant Security Deposit Act (no interest rule)
- N.C. General Statutes section 42-55
- N.C. General Statutes section 42-50

Official sources:

- North Carolina General Assembly: General Statutes: <https://www.ncleg.gov/Laws/GeneralStatutes>
- North Carolina Judicial Branch: <https://www.nccourts.gov/>

General information, not legal advice. Check current law and talk to a North Carolina attorney before you act.
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