Tennessee 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/tennessee-security-deposit-laws

Tennessee generally does not cap security deposits, but covered landlords must keep deposits in a separate account at a regulated bank and tell the tenant where it is held. A landlord who skips the account or the damage list cannot keep any of the deposit.

Key points

- Charges against the deposit are based on a written list of damage and estimated repair costs, made at a move out inspection the tenant may attend or sent on the tenant's written request.
- A landlord who does not keep the deposit in the required account and provide the damage list loses the right to keep any part of it.
- Tennessee law generally does not set a limit on the size of a security deposit.
- The Act sets no fixed number of days to refund a deposit; the landlord sends notice of any refund due to the tenant's last known address, and if the tenant does not respond within 60 days the landlord may keep it.
- State law generally does not require interest on security deposits.

Tennessee at a glance

Rule	Tennessee	Law
Deposit limit	Tennessee law generally does not set a limit on the size of a security deposit.	Uniform Residential Landlord and Tenant Act
Deadline to return the deposit	The Act sets no fixed number of days to refund a deposit; the landlord sends notice of any refund due to the tenant's last known address, and if the tenant does not respond within 60 days the landlord may keep it.	Uniform Residential Landlord and Tenant Act
Itemized deductions	Charges against the deposit are based on a written list of damage and estimated repair costs, made at a move out inspection the tenant may attend or sent on the tenant's written request.	Tenn. Code Ann. 66-28-301
Interest on deposits	State law generally does not require interest on security deposits.	Uniform Residential Landlord and Tenant Act

Rule	Tennessee	Law
Penalty for wrongful withholding	A landlord who does not keep the deposit in the required account and provide the damage list loses the right to keep any part of it.	Tenn. Code Ann. 66-28-301(c)

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:

- Uniform Residential Landlord and Tenant Act
- Tenn. Code Ann. 66-28-301
- Tenn. Code Ann. 66-28-301(c)
- Tenn. Code Ann. 66-28-301(a)

Official sources:

- Tennessee General Assembly: https://www.capitol.tn.gov/
- Tennessee Code (official publisher, public access): https://www.lexisnexis.com/hottopics/tncode/
- Tennessee State Courts: https://www.tncourts.gov/

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