

TO: Chicago Chapter No. 23 IREM Members

FROM: Melbourne Jackson, Vice-President Legislative Affairs

DATE: January 7, 2008

RE: **New Security Deposit Interest Rates for 2008**

The City of Chicago Residential Landlord and Tenant Ordinance (RLTO) requires the City Comptroller to set rates of interest to be paid on security deposits held by landlords. The rate is calculated annually based on a formula tied to actual market rates. The new rate for 2008 of 1.26% applies to all residential rental agreements in which the lease term begins from January 1, 2008 to December 31, 2008. The amount of interest paid on security deposits is determined by the rate in effect on the date the lease term commences. Owner-occupied buildings of six or fewer units are not required to pay interest on security deposits.

City code requires that a general summary of the RLTO and a separate summary on security deposits, including the required rate of interest, be attached to each lease.

The new rates for 2008 are as follows:

	<u>Previous Rates</u>			
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
STATE OF ILLINOIS	.35%	.50%	.55%	.40%
CITY OF CHICAGO	1.26%	1.68%	1.71%	1.01%
EVANSTON	1.26%	1.68%	1.71%	1.01%

Please note that Oak Park and Mount Prospect have local landlord/tenant law, but follow the State Rate for security deposit interest.

