



DISPUTE RESOLUTION PROCESS SECURITY DEPOSIT

IMPORTANT

The contents of this information bulletin are for information purposes only and do not replace the legislation.

DISPUTE RESOLUTION

The preferred resolution process for tenant and landlord issues follows the steps described below. Depending on the type of request, either the tenant or the landlord is required to initiate steps 1 to 3.

Problem/Steps	Preferred Course of Action
<p style="text-align: center;">Step 1 - Dialogue</p> <p>The landlord and the tenant inspect the rented premises</p>	<p>The tenant must either request a security deposit refund or a transfer: Security Deposit Refund or Security Deposit Transfer.</p> <p>At the end of the tenancy, it is recommended that the tenant and the landlord complete a final Accommodation Inspection Report and discuss any issues regarding the security deposit.</p>
<p style="text-align: center;">Step 2 - Security Deposit Release</p> <p style="text-align: center;">Agreement Non-Disputed Claim</p>	<p>If both the landlord and the tenant agree on the allocation and disbursement of the security deposit, then the claim is non-disputed.</p> <p>The security deposit refund or transfer process can be sped up if :</p> <ul style="list-style-type: none"> • The landlord agrees to sign a release for the security deposit, or • The tenant signs for the agreed portion of the security deposit to compensate the landlord for damages caused to the premises or unpaid rent, utilities or late payment fees. <p>If the landlord and the tenant cannot agree on the allocation and disbursement of the security deposit, then the security deposit is subject to a disputed claim.</p>
<p style="text-align: center;">Step 3 - Landlord's Claim against the Security Deposit</p> <p style="text-align: center;">No Agreement Disputed Claim</p>	<p>The landlord can submit, <u>within seven days after the end of the tenancy</u>, a Security Deposit Claim to the Office of the Rentalsman for a portion of or the total amount of the security deposit the landlord feels he/she is entitled to.</p> <p>Before a Rentalsman can start his/her investigation, the following evidence is required :</p> <p>Required evidence :</p> <ul style="list-style-type: none"> • A copy of the lease • A copy of the Notice of Termination <p>Optional evidence :</p> <ul style="list-style-type: none"> • A copy of any other notices served to the tenant • Any other evidence, such as pictures, that could help state the case • A copy of the Accommodation Inspection Reports • Witnesses statements, including their telephone numbers • Any expert report and/or professional evaluation. <p>Please note that the burden of proof lies on the landlord.</p>

Problem/Steps	Preferred Course of Action
<p align="center">Step 4 - Rentalsman's Investigation</p>	<p>The Office of the Rentalsman will assign a Rentalsman to investigate the disputed claim. The Rentalsman is required to establish the following relevant facts:</p> <ul style="list-style-type: none"> • the validity or grounds of the claim based on the tenant's obligations • the nature and level of the financial loss incurred by the landlord • a determination of the tenant's responsibilities in the claim <p>If required, the Rentalsman will send a letter to the tenant in relation to the claim against the security deposit. The tenant will have the opportunity to provide his/her point of view. The tenant must reply within seven days (with an additional six days allowed for mailing back and forth).</p> <p>If the tenant wishes to dispute the claim, he must put his defense in writing by the date specified in the letter. It is not sufficient for the tenant to just say that he/she does not agree with the claim – the tenant must provide a clear statement of why he/she is disputing the claim, and include all the relevant evidence to support the case.</p> <p>If the tenant agrees with the claim but disputes the amount being claimed, it is important that the tenant states that in his/her defense, and presents evidence to support the disagreement over costs. The tenant may support his/her case by including quotes from contractors or suppliers.</p> <p>During this period, the Rentalsman may conduct an inspection of the premises and advise other stakeholders. Experts might be called in to provide an accurate description regarding any health and/or safety issues. Delays can be expected depending on the nature and complexity of the issues.</p>
<p align="center">Step 5 - Dispute Resolution</p>	<p>The Rentalsman will come to a decision on the landlord's claim against the security deposit based on the law and the evidence provided by the landlord and tenant. The Office of the Rentalsman aims to provide the landlord and the tenant with a copy of the Rentalsman's decision within 30 days of the landlord's application.</p> <p>The Rentalsman's decision can be appealed by completing a Notice of Application and submitting it to a judge of the Court of Queen's Bench of New Brunswick. The appeal must be submitted within seven days after being notified of the decision.</p> <p>Service New Brunswick will send out cheques reflecting the rendered decision after the appeal period is expired.</p>

ADDITIONAL INFORMATION

For additional information concerning security deposits, visit the Office of the Rentalsman website at www.snb.ca/irent or contact one of their offices.

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