

A Maryland Judiciary Production  
*My Laws, My Courts, My Maryland*  
**Rent Escrow**

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Rent escrow is a legal process tenants may use to force landlords to repair serious or dangerous conditions in rental property. If the court approves a tenant's request for rent escrow, the tenant will pay the rent to an account controlled by the court, instead of to the landlord, until the problems are fixed. In this video, we will explain rent escrow and how it works. We will provide examples of the types of serious housing problems and defects that may qualify for rent escrow. We will explain the court process, including what both tenants and landlords must prove in court. This video also discusses the decisions a judge may make at the end of a rent escrow hearing. Finally, we will explain the unique rules about legal representation in rent escrow matters. This video only addresses rent escrow. For information on rent court, see the *My Laws, My Courts, My Maryland* videos [Rent Court for Tenants](#) and [Rent Court for Landlords](#).

**What is Rent Escrow?**

Landlords in Maryland must keep rental property up to code and prevent conditions that are a serious threat to the life, health, or safety of their tenants. This includes all rental units -- public- and privately-owned, single units (like a rented single-family home), and multiple-dwelling units (like an apartment building).

If a landlord does not keep the property in good repair or fails to fix serious or dangerous problems in a rental unit, a tenant may file a “rent escrow” case in the local District Court. In a rent escrow case, a tenant asks the court to force the landlord to make repairs. Instead of paying rent to the landlord, the tenant pays rent into an escrow account at the court. The court will hold the tenant’s money until a judge makes a decision about the conditions of the property. Tenants may get back all, some, or none of their rent, depending on the seriousness of the conditions and how long it takes the landlord to repair the problem. Tenants may also raise a serious health or safety issue as a defense in a “Failure to Pay Rent” case to explain why rent was not paid. The notice requirements described in this video, and information about what the tenant must prove still apply in Failure to Pay Rent cases.

Before withholding rent, a tenant must notify the landlord, tell the landlord about the problems in the unit, and allow a reasonable time for the landlord to make repairs. Tenants should tell the landlord in writing about the problems, so they have proof of notice. Tenants should also keep a copy of the letter, text message or email that was sent.

If you are a tenant or landlord and you disagree that repairs are needed, consider mediation. In mediation, a trained neutral person, called a "mediator," helps people in a dispute talk and understand each other. The goal is to reach an agreement to resolve the issues. Mediation may help landlords and tenants come to an agreement about repairs and about how much rent is fair while the property is in poor condition. Mediation may also help address other problems between landlords and tenants. Maryland’s District Court offers free mediation. Call 410-260-1676 for information on free mediation through the District Court.

## **What Problems May Qualify?**

Not all conditions qualify for a rent escrow case or rent escrow defense. Problems covered by the rent escrow law must be a substantial and a serious threat to a tenant's life, health and safety. Small cracks in the floor, for instance, are not a substantial threat. Neither is a sloppy paint job or ugly carpet. Other non-dangerous conditions also do not qualify under the rent escrow law.

Examples of serious conditions that may qualify include no heat in the winter, no electricity, or no running water (unless they were shut off because the tenant did not pay the bill.) Rodent infestation, mold, bedbugs, and sewage back up may also qualify for a rent escrow case. So may lead paint. Other examples of qualifying serious conditions include structural defects that are a serious threat to physical safety or fire hazards as long as they were not caused by the tenant.

How long does the landlord have to make repairs? That depends on how serious the problem is and how much danger the occupants are in. Usually, the court will consider it unreasonable for a landlord to take more than 30 days to make repairs once he or she is made aware of the problem. If the landlord can justify repairs that take longer than 30 days to complete, the judge may find that longer period reasonable. A county housing inspector may give the landlord a shorter deadline to make repairs. If so, the court may consider the housing inspector's deadline to be reasonable.

If a tenant gives the landlord proper notice and the landlord does not make the repairs in a reasonable amount of time, the tenant can file a “rent escrow” case with District Court. The case is filed in the county where the property is located. In a rent escrow case, the tenant may ask the court to take several different actions. The tenant may ask the court to order the landlord to make repairs. Or, the tenant may ask the court to end the lease so he or she can move out. Finally, the tenant may ask the court to reduce the amount of rent due to the landlord because of the poor conditions or until the landlord completes the court-ordered repairs.

### **The Court Process**

To start a rent escrow case, use Form DC-CV-083. A rent escrow case will proceed in one of two different ways. In some counties, a court hearing is held first to make decisions about an escrow account. In other counties, an escrow account must be established first before a court hearing is scheduled.

In some counties, the tenant files the form with the clerk, who will set a hearing. At the hearing, the court will decide whether a rent escrow account should be set up and how much the tenant must deposit into the account. The court will order the tenant to pay the money into escrow. The judge may award all, some, or none of the rent money returned to the tenant. Or, the judge may award all, some, or none of the money to the landlord to make repairs. In rare occasions, the judge may appoint a special administrator to make sure that the landlord

completes the repairs. When an escrow account is established, the tenant must pay all rent into the account as ordered by the court or risk their case being dismissed.

In other counties, the court requires that the tenant pay rent money into escrow up front. Then, the court schedules a hearing. The tenant may have to pay all rent money into an escrow account before a hearing is held. If the tenant pays rent to the court and not the landlord, the landlord may not file a Failure to Pay Rent case against the tenant. If this happens, go to court and tell the judge you have a rent escrow case.

At the rent escrow hearing, the tenant must prove that the landlord received proper notice about the dangerous condition. If you are the tenant, bring a copy of the notice. If you texted or emailed the landlord, bring proof of what you sent. If you told the landlord in person, bring a witness, if you have one. If you or someone else called a housing inspector about the dangerous condition, talk to a lawyer about how to get the inspector to come to court to testify. If you incurred expenses as a result of the condition of the property, tell the judge and provide proof. For example, if you have no heat and you bought a space heater, bring a copy of the receipt.

A tenant must prove that the landlord had enough time to correct the problem. He or she must also prove that the tenant paid the correct amount of rent to the court, either under the lease or as ordered by the judge. Proof could be a copy of the lease agreement showing the amount of rent due each month, and receipts or proof of payment.

Finally, the tenant must be able to prove there have been no more than three judgments of possession for rent due in the preceding 12 months. In Baltimore City, a tenant may have no more than four judgments within the last 12 months.

The landlord may win the case if he or she can show that the tenant or tenant's guest caused the dangerous condition in the rental property. The landlord may also win if the tenant did not allow the landlord or the landlord's representative access to the rental property to make repairs. If there is a dispute over access, bring witnesses.

### **The Court's Decision**

The judge may order a range of actions as a result of a rent escrow action or defense. Make sure you know in advance what you want the judge to do. For instance, the court may decide to end the lease agreement or it may dismiss the rent escrow case. The court may also reduce rent due to the landlord to an amount that is reasonable given the condition of the property. Or, the court may order the landlord to make repairs.

There are several other actions that the court may take. For example, the court may order the money in the escrow account to be given to the landlord after repairs are completed. The court may order some or all of the money in the escrow account to be paid to the tenant, the landlord, or someone else for the purpose of making repairs. In some cases, the court may appoint a special administrator who will make sure the repairs are completed. That administrator will ask the court to pay for the repairs out of the money in the escrow account.

The court may order the money in the escrow account to be given to the tenant if the landlord does not make repairs or does not make a good faith effort to repair the poor conditions. Or, finally, the court could order the money in the escrow account to be given to the landlord if the tenant does not continue to pay into the account.

## **Representation**

Usually, only a lawyer can represent someone in court. The rules are relaxed in rent escrow cases. A landlord may have a non-lawyer represent him or her in an escrow proceeding only. It is common for property managers to represent landlords in these cases. The rules about non-lawyer representation for tenants are different. A law student in a law school clinic or an employee of a non-profit organization who is supervised by a lawyer may represent a tenant in escrow court.

Remember, rent escrow is a legal action available to tenants who want to force landlords to fix dangerous defects in rental property. Rent escrow cases may be filed before or after a landlord files a failure to pay rent case against the tenant. When a rent escrow case is filed, the tenant must still pay rent, they pay into an escrow account held by the court instead of to the landlord. Before beginning a rent escrow case, tenants must tell landlords about the problems and allow enough time for repairs. Only substantial problems that are a serious threat to the tenant's life or safety qualify for rent escrow. At a hearing, a judge may decide to end the lease, order the landlord to make repairs, dismiss the case, or make another decision.

This has been a production of the Access to Justice Department of the Maryland Administrative Office of the Courts in collaboration with Maryland Legal Aid. For more information, see [mdcourts.gov](http://mdcourts.gov).