



**MANAGEMENT BULLETIN #513**

**DATE:** January 21, 2021

**TO:** Owners/Agents of Properties with IHDA Funding

**CC:** Asset Management Department Staff

**FROM:** Asset Management Department, IHDA

**RE:** 2021 Security Deposit Interest Rate

**SUMMARY:**

Beginning January 1, 2021 the applicable interest rate on security deposits for tenants in Chicago is 0.01% and in the State of Illinois is .005%. The rate of interest applies to all residential rental agreements that become effective on or after January 1, 2021.

In the [City of Chicago](#), owner occupied buildings of 6 units or less are not required to pay interest on security deposits. In the [State of Illinois](#) outside of Chicago, residential developments with fewer than 25 units are not required to pay interest on security deposits, unless the same owner has adjacent buildings with a combined total of 25 units or more.

City of Chicago code also requires that a general summary of the [Residential Landlord Tenant Ordinance](#) and a separate summary on security deposits, including the required rate of interest, be attached to each newly executed 2021 lease.

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