



BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL

PRESS RELEASE

FOR IMMEDIATE RELEASE

Media Contacts:
press@oag.state.md.us
410-576-7009

Attorney General Frosh Announces Settlement with LeaseLock, Inc. *Company Agrees to Return Insurance Premium Payments to Consumers*

BALTIMORE, MD (January 24, 2022) – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has entered into a settlement with California-based LeaseLock, Inc. resolving allegations that its deposit waiver products violated the Security Deposit Law.

The Maryland Security Deposit Law permits landlords to collect security deposits from tenants that must be refunded to the tenant at the end of a tenancy, less any lawful deductions for damages to the rental premises beyond ordinary wear and tear, unpaid rent, and damages due to breach of lease. LeaseLock offered, through landlords, a program through which tenants would make monthly payments to their landlords instead of paying security deposits, and at the end of their tenancies, the landlord could make claims with LeaseLock for damages to the rental premises and unpaid rent. The Consumer Protection Division challenged the legality of LeaseLock’s deposit waiver service because the Security Deposit Law requires deposits to be refundable to tenants at the end of their tenancies, less lawful deductions, and contains other protections that the LeaseLock program did not provide.

The settlement requires LeaseLock to return to consumers the monthly payments landlords collected from Maryland tenants, unless at the conclusion of their tenancies any claims were made with LeaseLock for unpaid rent or damages to the rental premises in excess of ordinary wear and tear. Although LeaseLock had stopped offering its deposit waiver program in Maryland during the Attorney General’s investigation, today’s settlement also contains an injunction that prohibits the company from offering its product through Maryland landlords – unless changes to the Security Deposit Law permit the landlords to offer LeaseLock’s product to tenants in lieu of a security deposit.

“LeaseLock’s program effectively had tenants paying their security deposits monthly, but, at the end of the lease, tenants got nothing back,” said Attorney General Frosh. “Under this settlement, tenants will get their money back from LeaseLock unless the funds were lawfully withheld for past due rent or damage to the property.”

Tenants who are owed refunds under today's settlement will be contacted by a Settlement Administrator. For more information about the how tenants are protected under Maryland law, consumers may visit <https://www.marylandattorneygeneral.gov/Pages/CPD/landlords.aspx>. Consumers who have questions about today's settlement with LeaseLock may call the Consumer Protection hotline at 410-528-8662 or 888-743-0023.

<https://www.marylandattorneygeneral.gov/press/2022/012422.pdf>