

# NSTRUCTION SHEET (Form CA-017)

## Holding Deposit Agreement

### Purpose:

This form allows the Landlord to collect a holding deposit with a prospective resident's application in return for the Landlord's agreement to take the unit off the market until the Applicant is approved and can sign the Rental/Lease Agreement. If the Applicant is approved by the Landlord after paying the holding deposit, the Applicant must sign the Rental/Lease Agreement, or damages will be deducted by the Landlord from the holding deposit to cover the days the unit is off the market.

### Preparation of the Form:

1. Insert the date and the amount of the holding deposit. Collect no more than the daily rental value (1/30 of monthly rent) for the number of days between payment of the deposit and the date the tenancy would begin (see CAA Form 13.0-MF - Rent Proration Table).
2. Fill out the complete address of the unit.
3. Fill out the monthly rent and the term of the agreement (whether a lease or month-to-month).
4. **Denial of application:** Insert a date by which you will return the deposit, if the application is denied. CAA recommends that you return the remaining funds within 5 business days.
5. **Acceptance:** Fill in the number of days or deadline by which the Applicant has to sign the Rental/Lease Agreement. Check off whether the holding deposit will or will not be applied to the first month's rent/security deposit.
6. **Applicants' Failure To Enter Into Rental/Lease Agreement:** Check the box/insert the date when the unit will be taken off the market. Insert a date by which you will return what remains of the Applicant's deposit after deduction of rental damages. CAA recommends that you return the remaining funds within 5 business days.
7. Have all Applicants sign the form and provide their current addresses.
8. **Signatures:** The person who signs for the Landlord may be the Landlord him/herself, or an agent who is authorized to act on behalf of the Landlord (the agent may be a manager, one of several co-owners, or another person). In the case of co-owners, the person who signs on behalf of the Landlord should be authorized to act on behalf of all the co-owners. If a manager or other person is signing on the owner's behalf: (1) the Landlord's name should be entered in the space marked "Landlord;" (2) the box next to "Landlord" must be checked and (3) the manager or other individual's name should be signed, and company affiliation provided.
9. Give a copy to the Applicant and retain a copy in your file.

### Pitfalls and Precautions

1. Have a Rental/Lease Agreement on hand for the Applicant to review before signing the Holding Deposit Agreement.
2. This form has been prepared by the California Apartment Association to help members comply with applicable California and Federal law. The California Apartment Association, its Local Chapters, and Divisions do not make any representation or warranty about the legal sufficiency or effect of this form. Consult with an attorney if you require assistance in completing the form or to determine if use of the form is appropriate or changes to the form are necessary in any particular situation.
3. The California Apartment Association does not sanction any CAA form that has been altered or changed in any way.

