

Last Month Rent (LMR) Policy	
VICTORIA PARK COMMUNITY HOMES - CORPORATE POLICIES	
Policy Number: B2.2	Sub-section: Resident & Property Services
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Approved by: EMT	Approval Date: 2022_05_17

1. Policy Statement

- 1.1 It is the policy of Victoria Park Community Homes (VPCH) that a security deposit or what is commonly known as the payment of Last Month Rent (LMR) is required by all tenants taking occupancy with VPCH regardless of income source.

2. Purpose

- 2.1 The purpose of this policy is to outline the payment of Last Month Rent by all households on or before the day the tenant and VPCH enter into the tenancy agreement and the new household takes possession of the rental unit.
- 2.2 This policy affirms that VPCH is required to pay interest in accordance with the annual rent increase guideline upon completion of every twelve (12) month as detailed in the *Residential Tenancies Act, 2006* (RTA).

3. Definitions

N/A

4. Scope

- 4.1 This policy complies with the *Residential Tenancies Act, 2006* s. 105 – 109, as detailed in Part VII, General Rules relating to rent and security deposits.
- 4.2 This policy applies to all VPCH households entering into a tenancy agreement with VPCH. There may be some exceptions to this policy based on specific program requirements as directed by Service Managers.

5. Policy Requirements

- 5.1 VPCH and tenants enter into a signed lease agreement prior to taking occupancy. Possession of the unit commences upon the tenant receiving the unit keys on the stipulated move-in date or commencement of the lease. At the time of commencing occupancy, tenants are required to pay VPCH – an amount equal to the first month rent and the last month rent. (Note the first month's rent may be pro-rated when a tenancy commences prior to the first day of a month).

The last month rent is an amount equal to the first full month's rent as noted in the lease agreement, and it must be paid in secured funds on or before entering into the tenancy agreement, and unit keys are provided for move-in.

- 5.2 Secured funds may be in the form of certified cheque, money order, direct debit or online payment.
- 5.3 Failure to pay the LMR will absolve VPCH's responsibility to provide the unit keys and commence the tenancy on the stipulated move-in date. This circumstance does not absolve the responsibility of the tenant, who entered into a binding lease agreement with VPCH. In these circumstances, VPCH will immediately commence legal proceedings as deemed necessary.
- 5.4 If the rent increases after a tenant has paid the LMR, VPCH can ask the tenant to pay an additional amount towards the LMR to bring it up to the same amount as the new rent.
- 5.5 VPCH is required to pay interest on the LMR every twelve (12) month and may deduct from the interest payment any amount required to legally raise the LMR to the amount permitted under the RTA.

Example: The January 1, 2022 to December 31, 2022 rent increase guideline is 1.2% and this amount is applied to the LMR currently held in deposit by VPCH on behalf of the tenant.

- 5.6 The amount of interest paid on the LMR is calculated in accordance with the rent increase guideline as set each year by the Ministry of Municipal Affairs and Housing, Ontario.
- 5.7 The LMR deposit can only be applied to pay for the last month of tenancy. Example: Upon receiving a sixty (60) day notice to vacate from a tenant, the tenant must pay the monthly rent for the first 30-day period and the LMR will be applied to the final month of tenancy. This is the only way that last month rent deposit can be used.

6. Reference Materials (Resources used in the development of this Policy)

- *Residential Tenancies Act, 2006*