



The DEPOSIT Act

Americans are struggling to find affordable places to live and put down roots in their communities. Security deposits have become a significant barrier for many Americans looking to rent a home. The Delivering Essential Protection, Opportunity, and Security for Tenants (DEPOSIT) Act will provide targeted assistance to low-income renters to help them afford this upfront moving cost.

The DEPOSIT Act:

The DEPOSIT Act would expand the Housing Choice Voucher Program—sometimes referred to as the “Section 8 voucher program”—and the HOME Investment Partnerships (HOME) Program within the U.S. Department of Housing and Urban Development (HUD). The legislation would make more federal resources available to state, local, and Tribal housing authorities to establish revolving funds to provide security deposit assistance to low- and very low-income renters. Additionally, it would require HUD to conduct a new study on alternatives to security deposits.

Background:

Americans need affordable housing. Of the nearly 45 million families renting in the United States, the National Low Income Housing Coalition has found that 11 million have extremely low incomes – incomes at or below either the federal poverty guideline or 30% of the area median income (AMI), whichever is higher.¹ Security deposit assistance programs for these families are an inconsistent patchwork across the country, with only some state and local housing authorities supplementing assistance with non-profits and community organizations.

A recent [National Bureau of Economic Research study](#) found that helping families enrolled in the Housing Choice Voucher Program afford security deposits and other move-in fees can make it easier for them to lease apartments during times of economic instability like the COVID pandemic. The paper found that **families with vouchers who were offered these additional move-in funds plus information about nearby neighborhoods were nearly 1.4 times more likely to lease a unit** than a comparison group that had received only a voucher.

¹ <https://nlihc.org/gap/about>

The Housing Choice Voucher Program is HUD's largest rental assistance program, assisting nearly 2.3 million households as of August 2022.² These vouchers help low-income Americans afford rental housing in the private housing market by paying landlords the difference between what a household can afford to pay for rent and utilities and the market rate of housing units.

The HOME Investment Partnerships (HOME) Program provides formula grants to states and localities that communities use to fund a wide range of activities including building, buying, and rehabilitating affordable housing for rent or homeownership. The program also provides direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments that is designed exclusively to create affordable housing for low-income households.

Support for the DEPOSIT Act

The DEPOSIT Act has been endorsed by:

- National Low Income Housing Coalition
- National Housing Law Project
- National Affordable Housing Management Association
- National Multifamily Housing Council
- National Apartment Association
- RESULTS
- Gen Z for Change
- Albuquerque Housing Authority
- New Mexico Coalition to End Homelessness
- San Juan Partnership
- Community Action Agency of Southern New Mexico
- Mesilla Valley Community of Hope
- DreamTree Project
- HEART of Taos
- Youth Heartline

For more information about the legislation, please email Mariah_Baker@heinrich.senate.gov.

² https://nlihc.org/sites/default/files/2023-03/2023AG4-01_Housing-Choice-Vouchers.pdf