HB 1336-FN

A Graphic Guide to Regulated Conditional Deposits

A narrow housing-access tool for marginal applicants in New Hampshire

1 What the bill does

Regulated Conditional Deposits (RCDs) are a special class of enhanced, voluntary security deposits that can be used when an applicant might otherwise be denied rental housing.

- **Voluntary** – Offered as an option, not required.
- **Capped** – Maximum amount is limited by law.
- **Used in limited circumstances** – For applicants who do not meet standard approval criteria.

What's Inside This Series

1. **The Problem**
   Close cases often end in denial
2. **Fair Housing Constraint**
   Consistency limits ad hoc exceptions
3. **The Solution**
   RCD architecture
4. **Safeguards**
   Caps, notices, refunds, enforcement
5. **Myths & Realities**
   Common objections answered
6. **Third-Party Payors**
   How revolving capital can expand access

Prepared from the June 2026 policy analysis by Christopher M. Freeman

2 The Problem

Why close cases often end in denial

1 The close case

Some applicants are close to qualifying, but fall short on the landlord's standard approval criteria.

2 Fair housing constraint

Landlords must apply screening criteria consistently. Ad hoc exceptions can create fair housing a disparate-treatment risk.

3 Current-law limitation

New Hampshire's one-month security-deposit cap blocks the use of an enhanced refundable deposit as a routine compensating factor for professional landlords.

4 What usually happens instead

- Denial
- Co-signer
- Surety bond
- Prepaid rent

These alternatives can be more burdensome, less accessible, or both.

The problem is not lack of alternate approval pathways — it is that the existing pathways often require more individual resources than an RCD would.

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3 The Solution

How the RCD architecture works

1 The instrument

A Regulated Conditional Deposit (RCD) is a capped additional deposit of up to one extra month's rent, treated as part of the security deposit.

2 Five eligible conditions

- Credit score
- Income
- Prior eviction judgment
- Outstanding unpaid judgments
- Missing landlord references

Available only if the applicant fails a disclosed qualifying criterion.

3 Bilateral optionality

Applicants may offer an RCD; landlords may accept, decline, or suggest it. No one is compelled to use it.

4 Disclosure and notice

Approval criteria must be disclosed before or with the application, and written notice must identify the failed criterion.

5 Re-screening and refund

Tenant improves → Requests re-screening → Now meets standard criteria → RCD refunded or credited

6 Installments allowed

Landlords may accept RCD payments in installments.

7 Enforcement backbone

Misuse is tied to Consumer Protection Act remedies.

The solution is not universal approval —
it is a regulated pathway for a narrow class of close-but-unqualified applicants.

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4 Safeguards

How the bill limits misuse and protects applicants

1 Cap
RCD limited to one additional month's rent.

2 Default cap preserved
The ordinary one-month security-deposit cap remains the default rule.

3 Pre-disclosure
Approval criteria must be disclosed before or with the application.

4 Specific written notice
The failed criterion and re-screening rights must be identified in writing.

5 Anti-circumvention
Stricter-than-statute criteria cannot be used as the basis for an RCD.

6 Re-screening right
Every 6 months for credit, income, eviction, and judgments; every 12 months for references.

7 Refund or rent credit
If the tenant later meets the standard criteria, the RCD must be refunded or credited within 30 days.

8 CPA enforcement
Noncompliance is treated as a Consumer Protection Act issue, with statutory remedies.

The Safeguard Process

1. Disclose → Provide criteria up front.

2. Decide → Apply only statutory criteria.

3. Notify → Give specific written notice if denied.

4. Re-screen → At required intervals if eligible.

5. Refund/Credit — Refund or credit within 30 days when eligible.

HB 1336-FN expands flexibility inside a tightly regulated framework.

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5 Myths & Realities

Common objections and the response

Myth	Reality
Myth: The people who need this most can't afford it.	**Reality:** Not everyone whose credit has taken a hit is without savings, and some people with lower incomes are frugal with their cash. People may also have cash support from family, friends, faith communities, tax refunds, settlements, or other sources.
Myth: This bill will make double security deposits the new normal.	**Reality:** Qualified applicants remain under the ordinary cap; RCDs are limited use, capped, and regulated, and misuse is constrained by disclosure rules, anti-circumvention limits, and Consumer Protection Act remedies.
Myth: It only helps applicants who already have money.	**Reality:** Installments and approved third-party supporters can help fund an RCD, and the deposit remains refundable.
Myth: This will cut the number of people rental charities can help in half.	**Reality:** Third-party-payor refunds can turn deposit assistance into revolving capital, allowing charitable dollars to be reused over time.
Myth: It shifts costs to local welfare programs.	**Reality:** Municipalities retain discretion under RSA 165. Any deposit or RCD funded by a city or town is refunded to that municipality, and the bill creates no new local welfare obligation.

6 Third-Party Payors

How the bill can supercharge rental charities

1 The current-law problem

Today, deposit assistance often works like a one-way grant: the money goes out, and any refundable amount typically returns to the tenant rather than to the assisting organization.

Funds out (to tenant) → **Refund returns to tenant**

2 What HB 1336-FN changes

With written instructions, refundable deposit amounts may return to a third-party payor, allowing funds to be reused.

Funds out (to tenant)

Refund returns to third-party payor for reuse

3 Who can be a third-party payor?

Family | **Employers** | **Charities** | **Faith communities** | **Municipalities**

4 Deduction order

1. Tenant-paid funds first
2. Then from third-party funds

Deductions are taken first from tenant-paid funds, then from third-party funds.

5 Municipal safeguard

Municipal welfare funds advanced as deposits return directly to the municipality unless directed otherwise.

6 Why this matters

Illustrative 10-year impact for each $1 million of annual donations to rental charities

Current law
3,500
Approx. households served over 10 years
for each $1M in annual donations

vs.

+1,546
additional households over 10 years
for each $1M in annual donations to rental charities, under the memo's central assumptions.

=

With HB 1336-FN
5,046
Approx. households served over 10 years
for each $1M in annual donations

The third-party payor architecture can turn charitable deposit assistance into revolving working capital.

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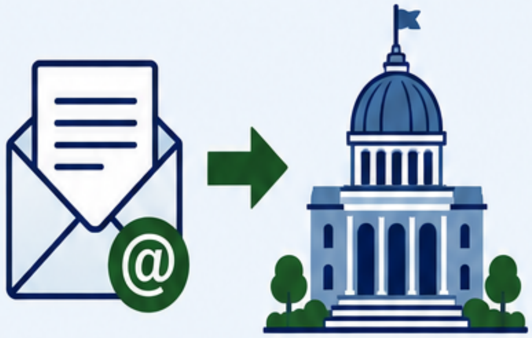
7 TAKE ACTION

Ask Governor Ayotte to sign HB 1336-FN



HB 1336-FN creates a smart, regulated path for close-but-not-quite-qualified rental applicants to securely access housing.

Regulated Conditional Deposits (RCDs) are enhanced, voluntary security deposits that expand opportunity—safely, fairly, and with strong safeguards.

WHY YOUR MESSAGE MATTERS

Expands housing access for close-but-not-quite-qualified rental applicants

Fewer marginal rental applicants will have their applications rejected without alternatives.

Empowers rental charities to do more, faster

Regulated Conditional Deposits could **potentially double** rental charities' philanthropic capacity within the first ten years after passage of this bill.

Protects tenants and communities

Built-in safeguards ensure deposits are refundable and misuse is prevented.

EMAIL GOVERNOR AYOTTE

and urge her to sign HB 1336-FN.

GovernorAyotte@governor.nh.gov

It only takes a minute—and it makes a difference.

> **"Please sign HB 1336-FN.**
> ***It expands housing access for close-but-not-quite-qualified rental applicants and unlocks the full potential of rental charities to help more households achieve stable housing.***

YOUR VOICE COUNTS.

When we speak up, good policy gets across the finish line.

- Creates new alternate approval pathways for renters who don't check every box.
- Helps rental charities stretch every donated dollar to serve more households.
- Support HB 1336-FN.

Thank you for standing up for housing access and stronger communities in New Hampshire.