



Application Fees for Residential Rentals: Not Legal in Vermont!

APPLICATION FEES ARE NOT LEGALLY PERMISSIBLE

Vermont law explicitly prohibits landlords from charging money to people to apply for a residential dwelling. “A landlord or a landlord’s agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit.” 9 V.S.A. § 4456a. The law prohibits any charge required to apply for a home, so any fees required to apply are unlawful no matter how they are labeled, including “application fee,” and “background check fee.” Charging such fees and advertising such fees are a violation of Vermont’s Consumer Protection Act. 9 V.S.A. § 2453.

WHAT ARE A TENANT’S LEGAL OPTIONS IF A LANDLORD IS CHARGING APPLICATION FEES?

Tenants and prospective tenants can sue for “equitable relief” to get the landlord to stop charging fees. They can also sue for money damages for the value of the application fee, attorney fees, and exemplary damages of up to three times the cost of the application fee. 9 V.S.A. § 2461(b). Tenants can call Vermont Legal Aid for advice at 800-889-2047.

Tenants and prospective tenants can also report any incidents to the Office of the Attorney General’s Consumer Assistance Program: 800-649-2424 (<https://www.uvm.edu/consumer>). The Attorney General is authorized to bring an action in the name of the State against the landlord to restrain and prevent the landlord from continuing to charge application fees, to impose a civil penalty of up to \$10,000 for each time the landlord charged the illegal fee, and to seek cash restitution on behalf of the complainant or the class of persons who paid the application fee. 9 V.S.A. § 2458. The Attorney General is also authorized to seek fees to cover the cost of investigating and prosecuting the landlord. Sometimes, the Attorney General will commence its investigation by sending the landlord a notice of what the law says, inspiring the landlord to immediately change their practice.

WHAT IF A LANDLORD WANTS TO DO A CREDIT CHECK?

Landlords could ask applicants to provide a copy of their credit report. Tenants are able to access a free copy of their credit report at annualcreditreport.com.

WHAT IF I’M NOT SURE IF A LANDLORD IS VIOLATING THE LAW?

Contact the Attorney General’s Consumer Assistance Program at 800-649-2424 or call Vermont Legal Aid for quick advice at 800-889-2047.