This pamphlet was prepared as a public service by the Communications Committee of the North Carolina Bar Association and is not intended to be a comprehensive statement of the law. North Carolina laws change frequently and could affect the information in this pamphlet. If you have specific questions with regard to any matters contained in this pamphlet, you are encouraged to consult an attorney.

If you need an attorney, please contact the North Carolina Lawyer Referral Service, a nonprofit public service project of the North Carolina Bar Association, via phone (1.800.662.7660) or online (www.ncfindalawyer.org).

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Wishes to keep pets on the premises, the landlord may charge a reasonable, nonrefundable fee as a pet deposit in addition to the security deposit.

If a tenant breaks a lease, the landlord may use the security deposit to protect himself from loss; provided that: (1) the security deposit is within the limits set by law; (2) the landlord has a valid claim for the deposit; and (3) the landlord has complied with all laws concerning security deposits. If the tenant breaches the lease, the landlord is entitled to keep the security deposit, less any amounts that are properly credited to the tenant. If the tenant does not receive any written notification of the disposition of the security deposit, the landlord must return the deposit within 30 days after the end of the lease.

LATE FEES • A landlord may impose a late charge on any rental payment which is late by five days or more. If the rent is due in monthly installments the late charge can either be five percent of the rental payment or $15, whichever is greater. A late fee may be imposed only one time for each late rental payment unless the tenant is unable to pay the rent because of a subsequent rental payment to be in default.

WHO OWNS WHAT • Tenants should be aware that unless they have an agreement with their landlord saying otherwise, any improvement the tenant makes to the rental property may become a part of the rental property, thus belonging to the landlord at the end of the tenant's term. Tenants should be aware of this before they install or affix anything to the real estate such as carpeting, bathroom fixtures, light fixtures, shutters, shrubs, etc. Tenants should also know that their personal property is not covered by the landlord's insurance policy and that the tenant can buy insurance for his or her personal property.

EVICTION • In North Carolina a landlord may evict tenants by a special court procedure called Summary Ejectment if the lease is breached or terminated. A landlord in North Carolina may not use self-help such as cutting off utilities or locking tenants out of their homes in lieu of Summary Ejectment. The Clerk of Superior Court in the county in which the landlord owns property can give you information and forms and information you need to bring a Summary Ejectment action in Small Claims Court.

RESIDENTIAL LEASE WITH OPTION TO PURCHASE/INSTALLMENT SALES CONTRACTS

If the rental agreement includes an “option to purchase” component, where the tenant has the right to purchase the property from the landlord at some time during the lease (or at the end of the term); or, if the rental agreement includes an “installment sale” component, where the tenant is effectively leasing-to-own the property, there are laws which may require very specific language to be present in the document and also impose additional duties upon the parties. It is strongly recommended that you contact a licensed North Carolina attorney to advise you and to ensure that any such agreement is drafted in accordance with the North Carolina General Statutes, which may affect its validity, and to make certain that both landlord and tenant understand their rights and obligations with respect to such agreements.
Your rights as a tenant

As long as you fulfill your legal duties and the requirements of your rental agreement, you have the right to exclusive possession of property you rent or lease for the term of the rental agreement. However, even as you exercise your basic right to privacy, your landlord may retain in the lease a right to inspect your dwelling at reasonable times and in a reasonable manner.

If your landlord does not live up to his duties as set by law and the terms of the rental agreement, you have the right to:

• complain to him;
• complain to appropriate government agencies, such as your local building and health departments;
• exercise your rights under law or the rental agreement which you have signed; and
• join with other tenants to secure your rights. These rights should be exercised without fear of eviction.

In addition, if after reasonable notice, your landlord fails to carry out his legal duties, you have the right to a relief in rental conditions. If you hold over after the end of the term and the court decides in your favor, it may reduce the amount of rent you must pay until the landlord fulfills his duties, and/or award you monetary damag-es; or, it may allow you to terminate your rental agreement. If the court decides in the landlord's favor, you may be responsible for court costs and expenses.

Tenants may not withhold rent payments in order to force the landlord to fulfill his duties without the permission of the court.

If your rental agreement was prepared by your landlord, the law provides that in the event of a dispute between you and the landlord, any ambiguity in the terms and conditions should be interpreted in your favor.

In certain factual circumstances, a tenant who falls into one of the following categories may have the legal right to terminate their rental agreement early:

• Members of the United States Armed Forces;
• Victims of domestic violence, sexual assault, or stalking;
• Tenants residing in certain foreclosed property.

Your duties as a tenant

As a tenant you have an obligation to:

• pay your rent as agreed and do other things required by your lease;
• keep your home clean and safe, dispose of trash and garbage in a clean and safe way, and use the toilet, sinks and baths in proper ways and keep them clean;
• prevent damage to your home (other than ordinary wear and tear), prevent your family or guests from causing any damage to your home;
• comply with any and all obligations imposed upon tenants by current applicable building and housing codes;
• replace the batteries as needed in a battery-operated smoke detector, notify the landlord if the smoke detector needs to be repaired or replaced, and prevent anyone from rendering the smoke detector inoperable; and
• vacate the premises at the end of the term, leaving the smoke detector in working order.

You must give proper notice to your tenant of any damages or defects in the premises or any law to supply after you have supplied or are required by your agreement.

Your rights as a landlord

If you are a landlord, you can rent your property for whatever amount you choose, although you may not raise rent during the term of a lease agreed to in writing and in a reasonable manner.

In certain factual circumstances, to refuse to allow children to live in a residential unit.

You may evict a tenant who violates any provision of your rental agreement which you and the tenant have agreed is a ground for eviction. Failure to pay rent is always a ground for eviction.

You must perform any other duties required by your rental agreement.

You may also be required to allow a tenant with a disability to modify the premises and reason-ably accommodate that tenant's needs.

Except in emergencies you must notify your tenants in writing of any breaches by the tenant of duties imposed on him by law.

Security deposits

A landlord is permitted by law to charge his tenants, as a security deposit, up to one month's rent, plus two weeks' rent in a residential unit in the event of a tenant's termination of a tenancy. If the tenant continues to occupy the property and the landlord has not given proper written notice of the termination of the tenancy, the landlord is required to reduce the security deposit due by the amount of rent the tenant has paid, and to return the security deposit to the tenant within 30 days of the termination of the tenancy.