

Date: _____

Dear [Tenant's Name],

Thank you for being a valued tenant at our property. This letter serves as formal notice of an increase in your rent charge.

Your rental unit is covered under Montgomery County's rent stabilization law, which limits the rent increase to your unit to the maximum annual rent increase allowance.

Your current monthly rent is: \$_____.

Below, you will find the details of the increase:

Month-to-Month, 12-Month, and 24-Month Options				
	Month-to-Month	12-Month	24-Month	
			Year 1	Year 2
Your rent will increase by:	\$	\$	\$	\$
Percentage of the increase*: (This may include banked amounts but cannot exceed 10%.)	%	%	%	%
Authorized monthly surcharge**:	\$	\$	\$	\$
Total monthly rent increase:	\$	\$	\$	\$
Your new rent charge:	\$	\$	\$	\$
Select (Initials):				

Your rent may not be increased more than once every twelve (12) months. Rent increases are only allowed at the end of the leasing period when renewing or signing a new lease. A tenant who remains in a rental property after the initial lease expires and does not sign another long-term lease or receive an offer for one is considered a month-to-month tenant. All the provisions of the lease still apply, except that the rental agreement is automatically renewed monthly. In a multi-year lease, the rent stays the same for the entire term (e.g., in a 2-year lease, no increase in the second year). Any skipped rent increases in multi-year leases can be carried over for future increases.

	How it is Calculated	2025 Updated Value	Effective Date	Units Impacted
Rent Stabilization Annual Rent Increase Allowance	CPI-U + 3%, capped at a total of 6%.	____%	July 1, 202____	All rental units subject to rent stabilization.
Voluntary Rent Guideline (VRG)	Change in the rental component of the regional CPI-U	____%	March 1, 202____	All rental units in the county are strongly encouraged, but not required, to limit rent increases to the VRG.

*Banked amount means the dollar amount of an annual rent increase allowance that a landlord did not use to increase the rent for a regulated unit. Under the rent stabilization law, a landlord may increase rent by the rent increase allowance plus any banked amount not to exceed 10% of the base rent.

**Landlords can file a Capital Improvement Petition to recover the cost of capital improvements to the property. Only after approval by DHCA can landlords add a surcharge in addition to the annual rent increase. For your rental unit, the following surcharges are authorized:

Amount	Type	Case Number	Approval Date	Duration
\$				months
\$				months
\$				months

Your new rent charge will take effect on ____/____/____, at least ninety (90) days from now. If you do not wish to continue your tenancy at the new rate, you must provide sixty (60) days' notice of your intent to vacate the Property.

If you feel the rent increase is excessive, you may request that the Montgomery County Office of Rent Stabilization review the new monthly rent by calling MC311 or (240) 777-0311.

Sincerely,

Owner/Agent