



Montgomery County Landlord Risk Mitigation Fund Program Agreement

Program Overview

Landlord Risk Mitigation Fund (LRMF) is a formal partnership among housing providers, property owners and managers, and persons with potential barriers to accessing housing. The goal of this program is to create a seamless connection to housing opportunities that emphasizes rapid placement and supportive services during tenancy while protecting the interests of property owners and landlords.

LRMF aims to break down barriers to housing and provide increased assurance to property owners that partner with Montgomery County's Services to End and Prevent Homelessness (SEPH). By working together, this program intends to continuously provide access to quality housing for people exiting homelessness while reducing perceived financial risks incurred by landlords and mitigating issues that could potentially arise when leasing to households with rental barriers.

Summary of Requirements

LRMF is open to any landlord that owns and operates licensed rental property located in Montgomery County, Maryland. The landlord must agree to the policies and procedures for LRMF participation that are contained in the Landlord Risk Mitigation Fund Program Agreement and summarized below. They must lease to a tenant participating in one of the following programs through Montgomery County's SEPH: ***Short-term Housing and Resolution Program (SHaRP)***, ***Rapid Rehousing (RRH)***, ***Housing Initiative Program (HIP)***, or an ***eligible Permanent Supportive Housing (PSH)*** program that provides ongoing case management services. SEPH will also provide a onetime sign-on bonus of \$500.00 to new landlords and \$250.00 to a landlord who refers another landlord that enrolls in the program for the first time by leasing up an eligible tenant.

A landlord must:

1. Accept and agree, in writing, to abide by the policies and procedures as outlined in the Landlord Risk Mitigation Fund Program Agreement with Montgomery County's SEPH. Policies and procedures may be updated as needed.
2. Complete and submit all required documentation for each enrolled tenant that is participating in an eligible housing program within 15 calendar days of lease signing.



Montgomery County Landlord Risk Mitigation Fund Program Agreement

3. Include and maintain valid contact information with the tenant’s housing service provider or LRMF team via LRMF@montgomerycountymd.gov throughout participation in the program.
4. Acknowledge that any reference to tenancy or unit in this agreement shall refer only to a tenancy between a landlord and a tenant where the tenant initially occupied the unit on or after March 1, 2024.¹

Filing a Claim

LRMF is available to cover property damage beyond normal wear and tear and loss of rent as documented in the lease agreement. When defining damage, the landlord must use the Department of Housing and Community Affairs Office of Landlord Tenant Affairs’ (DHCA OLTA) “*What is Ordinary Wear and Tear?*” as a guideline and may be asked to provide additional verification. Landlords may file a property damage claim for the annual fund limit of up to \$5,000 per household during the lease term, within 45 days of the tenant's lease term ending, or if the tenant abandons the unit. The lifetime fund limit for each household is \$10,000. Claims for unpaid rent can only be filed at the end of the lease term. For rental arrears, landlords must use security deposit amounts and other available financial resources for rent payments prior to accessing LRMF. Additionally, if a landlord files a claim with their insurance to recoup their losses for the same physical damages or unpaid rent, they must disclose and submit a copy of the insurance claim payout information. LRMF will consider paying the difference between the financial loss and insurance payment.

Damages will be assessed by a SEPH designated housing service provider or housing locator². Evaluation will be based on comparing the inspection at the time of lease initiation, but prior to the tenant taking possession, with an inspection at the time of the claim request. Once the inspection is complete, landlords must first pay to complete the repairs and then submit their claim request and supporting documents for LRMF reimbursement consideration. Reimbursement is not guaranteed. LRMF is not a recurring rent assistance program, nor is it meant to supplant traditional security deposits or a landlord's private insurance.

¹ Previously enrolled participants in which the landlord enrolled the tenant between 7/1/2020 and 9/15/2023 are eligible to continue under the new policy with a signed updated agreement for the completion of the tenant’s lease term or six months, whichever is longer.

² An individual that partners with SEPH to provide housing location and inspection services.



Montgomery County Landlord Risk Mitigation Fund Program Agreement

Claims will be reviewed when:

1. The landlord submits all claims, documentation, and inquiries via email to LRMF@montgomerycountymd.gov.
2. Damage to the property exceeds normal wear and tear. Damage is also identified and verified during the lease term or within 45 days of tenant exiting unit via an official inspection completed by a SEPH designated housing service provider or housing locator.
3. The verified property damage occurred after the start of occupancy, is caused by the tenant, and is related to the unit leased by participant or shared spaces within the leased unit.
4. Rental arrears remain at the end of the lease term and are verified within 45 days of the tenant exiting the unit. The landlord must use security deposit amounts and other available financial resources prior to accessing LRMF to recoup rent payments.
5. The security deposit plus security deposit interest amounts is exhausted within 45 days of the tenant exiting the unit. If an unpaid balance for damages caused by the tenant or rent remains after applying security deposit amounts, then a landlord may request reimbursement consideration by filing a claim. The full security deposit plus security deposit interest amount must be deducted from the full claim request.
6. The claim amount exceeds the maximum annual benefit limit and security deposit amounts because the landlord must explore their insurance for recouping additional financial losses. In addition, if a landlord files a claim with their insurance to recoup their losses for the same physical damages or unpaid rent, they must disclose and submit a copy of the insurance claim payout information to LRMF@montgomerycountymd.gov. LRMF will consider paying the difference between the financial loss and insurance payment.
7. All receipts and documentation required for reimbursement have been submitted including documentation of non-payment of rent as outlined in the lease agreement (i.e., notices, tenant ledger, collection agency statement, etc.) to LRMF@montgomerycountymd.gov. This does not require filing for a formal eviction. The landlord understands and acknowledges that claim requests are reviewed and approved on a case-by-case basis by the LRMF team.
8. The landlord acknowledges there is an annual fund limit of up to \$5,000 and lifetime fund limit of \$10,000 per household. LRMF will consider minimum reimbursements of \$100.00.



Montgomery County Landlord Risk Mitigation Fund Program Agreement

9. Notification of a tenant breaching their lease without proper notice is provided to SEPH. SEPH will make best efforts to provide another tenant within 45 days of the notification. In the event a tenant cannot be identified within the listed time frame, the landlord may be eligible to receive reimbursement for up to 2 months' worth of lost rent after the security deposit is applied. To file a claim for vacancy loss, the following documentation should be sent to LRFM@montgomerycountymd.gov:
 - a. The date the landlord made SEPH representative aware of the vacancy.
 - b. Proof of efforts to re-rent the unit with a SEPH applicant when vacated.
 - c. The date the unit was re-rented.

General Limitations

1. All communication, documentation submission, and claim pursuits must be made directly to the LRFM@montgomerycountymd.gov email address. Landlord understands and acknowledges that it is their sole responsibility to provide LRMF with updated contact information throughout participation in the program in addition to staying informed of current policies and procedures of LRMF.
2. Payment of claims is explicitly limited to funds available in the program. Landlord acknowledges that LRMF has made no representation or guarantee to the landlord as to the amount of funds that may be available in the LRMF to honor claims.
3. Landlord agrees that Montgomery County Government, the Department of Health and Human Services (DHHS), SEPH, and LRMF (including but not limited to those evaluating claims), shall have no personal liability to the landlord related to the LRMF policies and procedures.
4. LRMF reserves the right to suspend or terminate new enrollment at any time. Any registration received by LRMF prior to this change will not be impacted.
5. Miscellaneous.
 - a. These policies shall be governed by and construed in accordance with Maryland law.
 - b. Any suit under or related to LRMF or these policies shall be brought exclusively in the courts of the Maryland, or federal courts having jurisdiction over Maryland.
 - c. Landlord and LRMF each hereby waive the right to trial by jury in any suit under or related to LRMF or these policies.
 - d. Term: These policies shall remain in effect so long as LRMF is in existence.



Montgomery County Landlord Risk Mitigation Fund Program Agreement

- e. All fees and expenses of any landlord under these policies shall be for the account of the landlord and paid for and borne by the landlord. Any landlord shall bear its own attorney fees and expenses related to any matter directly or indirectly related to these policies.
- f. Any landlord's participation in LRMF does not render any landlord an agent or partner or joint venture with the LRMF.
- g. The invalidity of any provision, section, subsection, paragraph, sentence, word, punctuation, or abbreviation of these policies shall not affect the validity of any other provision therein.
- h. No landlord may assign its rights or obligations under this agreement without the consent of the LRMF. However, the LRMF may assign its rights under this agreement to another party without consent of the landlord.
- i. These policies represent the entire agreement by the LRMF with any landlord with respect to the subject matter hereof and supersedes all prior discussions, understanding, agreements and negotiations between the parties hereto.
- j. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver by the LRMF of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed by the LRMF an extension of the time for performance or any other obligations or acts.
- k. No failure or delay of the landlord in the exercise of any right given to the landlord shall constitute a waiver hereof. The waiver by the landlord of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

Program Evaluation

The LRMF program evaluation may be measured utilizing the following criteria:

- Decreased length of time from program assignment to being housed.
- Increased number of landlords partnering with SEPH and the Continuum of Care (CoC).
- Increased number of annual lease renewals.
- Landlord and tenant satisfaction.
- Increased number of clients housed with housing barriers (evictions, etc.).



Montgomery County Landlord Risk Mitigation Fund Program Agreement

Landlord Responsibilities

Please review and initial that you have read and agree to abide by the requirements below:

- ___ 1. Within 15 calendar days of lease signing, I will:
- Sign and submit the Landlord Risk Mitigation Fund Program Agreement
 - Submit a copy of the signed lease agreement.
 - Complete the pre move in inspection with a SEPH designated housing service provider or housing locator.
 - Provide all required documents through email to LRFMF@montgomerycountymd.gov or through tenant’s designated housing service provider.
- ___ 2. I agree to participate in the pre move in unit inspection completed by a SEPH designated housing service provider or housing locator. I understand the SEPH designee will take pictures/videos and complete a detailed inspection report form to submit on my behalf to LRFMF. I understand that an inspection must be done prior to move in for each tenant I lease to that is also participating in an eligible housing program and enrolling in LRFMF.
- ___ 3. I will follow the terms of the lease agreement in accordance with federal, state, and local law. I understand that landlords in violation of federal, state, and local laws may not qualify to receive claim reimbursement.
- ___ 4. If there are any concerns related to the tenant and/or their household, I will first attempt to contact the tenant directly and follow procedures used for all tenants as related to the lease agreement terms. If I continue to experience conflict or concern, I will contact the tenant’s housing service provider as soon as possible for assistance in resolving the issue. If I am unable to reach the housing service provider, I will contact LRFMF@montgomerycountymd.gov.
- ___ 5. I agree to participate in mitigation efforts with the housing service provider and/or Office of Landlord Tenant Affairs (OLTA) prior to starting an eviction process to see if common ground can be found to retain the housing status for the tenant. I will also make reasonable efforts to reduce damage to the property and loss of rent by exploring mitigation options that may be paid for in part or in full by LRFMF.
- ___ 6. Should a tenant breach their lease without proper notice, I will notify the program via LRFMF@montgomerycountymd.gov and agree to work with SEPH which will make best efforts to provide another tenant within 45 days of notification.



Montgomery County Landlord Risk Mitigation Fund Program Agreement

___ 7. If a tenant defaults on the lease agreement or damages the property beyond normal wear and tear, I will contact the housing service provider to inform them of the concerns and then, if necessary, submit a LRMF Claim Form and required documentation to request consideration for reimbursement. If I am unable to get in touch with a housing service provider, I will contact LRMF@montgomerycountymd.gov.

___ 8. I acknowledge that any reference to tenancy or unit in these policies shall refer only to a tenancy between a landlord and a tenant where the tenant initially occupied the unit on or after March 1st, 2024.

I hereby certify the accuracy of the included information ensuring it is aligned with the requirements of the Landlord Risk Mitigation Fund (LRMF). I acknowledge that LRMF and SEPH maintain no liability and that payment is contingent upon the approved claim amount to the extent of available funds in the program. I further agree that the payment of such claim shall not exceed the limitations set forth in the agreement. I attest that I have submitted no other claim under the policies with respect to the tenant and lease described above. I declare under penalty of perjury that the foregoing is true and correct in all material respects.

My signature acknowledges acceptance of the provisions listed above as well as that I have received, read, and understand the polices and expectations contained in this Landlord Risk Mitigation Fund Program Agreement.

Landlord Signature

Date

Witness Signature

Date

Tenant Name and Address

Date of Lease Term