Before you sign a lease

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This guide will help you understand which leases are covered by Washington's Residential Landlord-Tenant Act, the difference between month-to-month and fixed lease terms, and which terms are illegal to put in a lease. You will also learn about move in costs, including legal and illegal fees, deposits, and installment payment plans.

1. Residential Landlord-Tenant Act

Before you sign a written rental agreement (often called a lease), you should understand the terms, rules, fees, and penalties. You can negotiate with a potential landlord and ask for changes to the agreement, but it's much easier to do this before you sign it.

This guide will teach you about some important terms and fees to look for and will also teach you what kinds of terms are illegal for a landlord to put in a lease.

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This guide also explains whether <u>Washington's Residential Landlord Tenant</u> <u>Act (RLTA) (https://app.leg.wa.gov/rcw/default.aspx?cite=59.18)</u> applies to your living situation and gives you additional protections under the law.

Washington's Residential Landlord Tenant Act (RLTA)

(https://app.leg.wa.gov/rcw/default.aspx?cite=59.18) covers most situations where a residential tenant regularly pays rent to a landlord for a place to live, whether they have a verbal or written rental agreement and whether the time period is a fixed term (like 1 year) or is month to month. You can read the RLTA at <u>RCW 59.18 (https://app.leg.wa.gov/rcw/default.aspx?cite=59.18)</u>.

()Some living arrangements are not covered by the RLTA. You can read about these exemptions at <u>RCW 59.18.040</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.040).

The RLTA probably does **not** apply if:

- You <u>live and rent space in a mobile home park</u>, but own your mobile home, manufactured home, or trailer.
- You live in an <u>RV or trailer</u> that you own but rent the space where it is parked.
- You get housing as part of your job and live where you work (for example, a property manager you gets an apartment as part of the job)
- You are in a medical facility, like a nursing home or hospital
- You are in a correctional facility, like a jail or prison
- You are in an educational facility, like a university dorm
- You are in a recreational facility, like a state park or private campground
- You signed a contract to buy the place where you are living (a "<u>rent to</u> <u>own</u>" contract)
- You rent the land around your home but it is mainly used for farming

• You are a temporary agricultural worker and your employer gives you housing as part of your job

• You lease commercial space for a business.

2. Fixed term, month-to-month

What are the 2 main types of rental agreements?

The 2 main types of rental agreements are month-to-month rental agreements and fixed term rental agreements.

1. Month-to-month rental agreements can be in writing or verbal. If the landlord requires you to pay a deposit or a non-refundable fee, the landlord must give you a written rental agreement.

In a month-to-month agreement, tenants usually pay rent every month. In that case, the rental period is one month.

Month-to-month agreements have no fixed time limit and continue until you or the landlord gives <u>proper notice</u> that they want it to end at the end of the next rental period.

Changing the Rules: In month-to-month agreements, landlords can change the terms or rules only after giving a written notice at least **30 days** before the end of the rental period. For example, if the rental period ends on June 30, you must receive the notice of rule change before June 1, or the rule change does not go into effect until the following rental period. You can read the law about rule changes at <u>RCW 59.18.140(2)</u>

(https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.140).

Rent Increases: In most month-to-month agreements, landlords can raise the rent only after giving a written rent increase notice at least **60 days** before the end of the rental period. For example, if the rental period ends on June 30, you must receive the rent increase notice before May 1, or the rent increase doesn't go into effect until the following rental period (August instead of July). You can read the law that requires 60 days notice for rent increases at <u>RCW</u> 59.18.140(3) (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.140).

However, in certain subsidized housing units where your portion of the rent can change when your income or household changes, a rent increase can go into effect with only **30 days** written notice.

2. Fixed term rental agreements must be in writing and cannot be verbal agreements.

Fixed term rental agreements require you to live in the unit for a certain fixed period, often 1 year or 6 months.

Landlords cannot change the terms, rules, or rent amount during the fixed period, unless you agree to the change (for example, by signing a new lease). **Exception:** in certain subsidized housing units where your portion of the rent can change when your income or household changes, a rent increase can go into effect with only **30 days** written notice.

In general, month-to-month agreements allow tenants more flexibility to move if they need to, but they risk a rule change or rent increase with less notice than a fixed term rental agreement.

Some people also sign "<u>rent to own contracts</u>" which allow them to rent a place while they make payments towards buying the unit. Try to talk to a lawyer before signing a "rent to own" contract, because they can be complicated. If it is not done properly, a rent to own contract may not be valid. Rent to own contracts cannot be verbal agreements.

3. Illegal lease terms

Some terms are illegal to put in rental agreements

Certain terms are prohibited by Washington's Residential Landlord Tenant Act (RLTA) and landlords cannot put them in a lease. Even if they are in a lease, they are unenforceable. The law that prohibits these terms is <u>RCW 59.18.230</u> (<u>https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.230</u>).

The RLTA prohibits landlords from adding any term to a rental agreement that:

- makes you give up (waive) a right or remedy under the RLTA
- says the landlord does not have to make repairs
- says the landlord can enter the rental unit without proper notice
- says you must pay rent by electronic means only and cannot pay by cash or check. You can read this at <u>RCW 59.18.230(2)(g)</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.230).
- says the landlord can take your stuff if you fall behind on rent
- says the landlord can apply your rent payments to other non-rent charges. You can read this law at <u>RCW 59.18.283.</u>

(https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.283)

- says you have to pay for damages that aren't your fault
- makes you give up your right to defend yourself in court against the landlord
- says the landlord doesn't have to pay for costs for which they are responsible
- says you have to pay for the landlord's attorney fees, even if you win in court

You can read the law that prohibits these terms at <u>RCW 59.18.230</u> (https://apps.leg.wa.gov/rcw/default.aspx?cite=59.18.230). But any term that violates another part of the <u>RLTA (RCW 59.18</u> (https://app.leg.wa.gov/rcw/default.aspx?cite=59.18)) (https://apps.leg.wa.gov/rcw/default.aspx?cite=59.18.230) is prohibited and unenforceable.

In very rare cases, landlords and tenants can exempt themselves from certain sections of the RLTA, but these have to be approved by the local county prosecutor's office or the consumer protection division of the attorney general's office or the attorney for the tenant. You can read this law at <u>RCW 59.18.360</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.360).

The RLTA at <u>RCW 59.18.140</u>

(https://apps.leg.wa.gov/rcw/default.aspx?cite=59.18.140) also says that tenants must comply with "all reasonable obligations or restrictions" in the terms of a rental agreement or property rules. However, some terms or rules

may be "unreasonable" and unenforceable. It may be "reasonable" to have a guest policy that says they can stay for no more than 14 days, but may be "unreasonable" to say that "no guests are allowed."

Try to <u>get legal help</u> if you have questions about whether a term or rule is reasonable and legally enforceable.

4. Fees, deposits, move-in costs

What kinds of fees, deposits, and move-in costs are allowed in a lease?

Landlords often require different types of fees, deposits, and other costs before you sign a lease and move in. Your lease may also include terms about what fees and costs will be charged when you move out. These are the most common kinds of refundable and non-refundable costs:

- Screening fees
- Holding fees
- First and / last month's rent paid in advance
- Security and damage deposits
- Non-refundable fees
- Termination fees
- Pet fees

Screening fees

Landlords often run a background check on potential tenants and pay for a report from a tenant screening company. Landlords can charge you for the actual cost (and no more) of the screening report, but only if they let you know in writing before they charge you.

Landlords <u>must follow other laws when screening tenants</u>, including telling them what kinds of information they may use against you and what tenant screening company they use. You can read more about the **Fair Tenant Screening Act** at <u>RCW 59.18.257</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.257).

Holding fees and waiting list fees

When you apply, landlords may ask for a holding fee that ensures they will not rent the unit to someone else while they process your rental application. A holding fee cannot be more than 25% of the first month's rent amount. You can read the RLTA section about holding fees at <u>RCW 58.18.253</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.253).

Before you pay a holding fee, the landlord must give you a receipt and a written statement of the conditions where they would keep the fee.

If the landlord approves your application, but you decide not to move in after paying the holding fee, the landlord may keep the fee.

However, if you move in, landlords must apply the holding fee to the amount of the security deposit or first month's rent. You may sue a landlord who wrongly keeps the holding fee if you move in, for 2 times the fee plus attorney fees.



While a landlord can charge a potential tenant a fee to hold the unit before the tenant signs a lease and moves in, the landlord cannot charge a fee for the privilege of being placed on a waiting list. **Waiting list fees are prohibited by** <u>RCW 59.18.253(1) (https://app.leg.wa.gov/rcw/default.aspx?cite=59.18.253)</u>.

First and/or last month's rent

Landlords often ask you to pay one or more month's rent in advance, usually the first and/or the last month's rent. Rent money paid in advance cannot be considered part of a damage or security deposit and cannot be withheld to pay for damages.

If you do pay rent in advance, it's best to get a separate written receipt that clearly shows the money you paid for as rent, rather than a deposit. It's best to have the landlord sign and date any written receipts for money that you pay them.

Non-refundable fees

Some landlords charge a non-refundable cleaning fee to clean the place after you move out. If your lease includes a nonrefundable cleaning fee, the landlord cannot charge you more cleaning fees after you move out. You can read the law about this at <u>RCW 59.18.130(10)</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.130).

Sometimes landlords charge a non-refundable fee for allowing pets and are also used to clean the place. Landlords can only charge you a non-refundable fee if the rental agreement is in writing and it clearly states the fee is nonrefundable. Non-refundable fees may not be considered as part of a damage or security deposit. You can read the law about non-refundable fees at <u>RCW</u>

59.18.285 (https://apps.leg.wa.gov/rcw/default.aspx?cite=59.18.285).

Termination fees

Some landlords add a term into the lease that charges you a termination fee or "early termination fee" only if you break your lease and leave before the end of the term. This fee may be charged in addition to any rent you may owe for the remainder of the term. However, landlords must try to re-rent the place and cannot charge you rent for periods of time when they collect rent on the unit from another tenant.

In limited circumstances, landlords cannot charge you a termination fee, even if the term is included in your lease. Landlords cannot charge a termination fee if you give proper notice to end your lease based on domestic violence, <u>stalking, sexual assault, or unlawful harassment</u>. You can read the law about this at <u>RCW 59.18.575</u>

(https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.575).

Deposits

Landlords often charge you some kind of deposit. Sometimes, these are called security deposits or damage deposits. Deposits are supposed to be kept separate from other money that you pay the landlord and should only be withheld after you move out to cover damages beyond those caused by ordinary use of the premises.

()You may also have the option to waive the deposit and instead pay a fee each month in addition to rent to cover any damages. This fee is called a **"monthly deposit waiver fee"** and may allow you to move in without paying so much money upfront. However, unlike deposits, these waiver fees are non-

refundable and you will not get the money you pay each month back when you move out. You can read the law about monthly deposit waiver fees (sometimes called a "fee in lieu of a security deposit") at <u>RCW 59.18.670</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.670).

There are many <u>laws about deposits</u>: when and how landlords can keep deposits, what kinds of documentation they have to show to prove that you caused damages, and how long they have to return your deposit or give you a written statement about why they are keeping the deposit. Read our <u>Guide to deposits and damages (https://dev-wlh-drupal.pantheonsite.io/en/guide-deposits-and-damages)</u>to learn more.

5. Paying move-in costs over time

Can I pay move-in costs in installments instead of all at once?

If the total deposits and nonrefundable fees are more than 25% of the first month's rent or payment of last month's rent is required, you may write to the landlord to ask to pay the deposits, nonrefundable fees, and last month's rent in installments. If the landlord agrees to let you pay for the move-in costs in installments, you must get the agreement in writing. You can read the law about this at <u>RCW 59.18.610</u>

(https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.610).

Which costs can I pay in installments?

You can pay deposits, nonrefundable fees, and last month's rent in installments.

Do I still need to pay some move-in costs upfront?

Maybe. The landlord can still require you to pay upfront any holding fees, screening fees, or background check fees.

How do I ask my landlord to let me pay the move-in costs in installments?

You must ask in writing for an installment plan. All payment plans must be in writing and signed by you and the landlord. Remember to keep a copy for your records.

Can I ask for any payment plan I want?

If the rental agreement is **3 months or longer**, you can ask for a payment plan of 3 monthly, equal payments.

If the rental agreement is **less than 3 months**, you can ask for a payment plan of 2 monthly, equal payments.

When are my payments due under the payment plan?

Payments are due on the same day as rent. The payment plan starts at the beginning of your tenancy.

If this will make it harder for you to pay your rent, you might be able to get a new due date for the rent. In some cases you may be able to ask your landlord to change the date your rent is due.

Do I have to pay anything extra to be able to pay in installments?

No. The landlord cannot charge you any fees or interest if you choose to enter into a payment plan.

Could the landlord turn down my request for an installment plan?

Maybe. The landlord can turn you down if the total amount of deposits and nonrefundable fees is not more than 25% of the first month's rent, and the landlord does not require you to pay the last month's rent when you move in.

What happens if I miss a payment?

The landlord can start an eviction lawsuit (called an **unlawful detainer action**) against you by serving you with a <u>14-day Pay or Vacate Notice</u>. It's treated as if you didn't pay your rent.

6. After you sign a lease

What should I do after I sign my lease?

Before you turn in your lease, make a copy of the signed lease for your records. If you must sign electronically, try to screenshot or print off a copy of

the lease before e-signing. Once you e-sign, download a copy of the executed lease (lease signed by you and your landlord). It may be uploaded to your tenant website, app, or portal.

After signing the lease, the landlord must provide each tenant with a copy of the signed rental agreement. You may ask for one free replacement copy during your tenancy. You can read this law at <u>RCW 59.18.065</u> (https://app.leg.wa.gov/RCW/default.aspx?cite=59.18.065).

7. Before you renew a lease

What should I do before I renew my lease?

Carefully review the new lease offered. Your landlord may have changed the rules, terms, fees, or charges (for example, utilities). If you disagree with some of these changes, you may try to negotiate with the landlord.

Unless your lease specifically says it does not continue indefinitely, your current lease automatically becomes a month-to-month lease after the term expires. You may not be required to sign a new lease if it automatically becomes a month-to-month lease.

Sometimes, landlords charge higher rent for month-to-month leases. Landlords must still provide a minimum of **60 days'** advance written notice before raising your rent, under <u>RCW 59.18.140(3)</u> (https://app.leg.wa.gov/rcw/default.aspx?cite=59.18.140). If you renew your lease with the landlord, you should keep a copy of the newly signed lease for your records.

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