

FTR

Sen. Joseph Crisco, Senate Chairman
Rep. Robert Megna, House Chairman
Sen. Kevin Kelly, Ranking Member
Rep. Christopher Coutu, Ranking Member

Re: Testimony in support of Raised House Bill 5437, An Act Concerning Security Deposits

Date: January 25, 2011 Public Hearing- Insurance & Real Estate Committee

As a landlord who owns a relatively small rental property, I have been concerned about the disparity in the rate of interest which landlords must pay on security deposits, in comparison to what the banks have been paying for the last few years. Since I contacted Marilyn Giuliano about this matter last year, the situation has become even more critical this year. Many banks require at least \$10,000 in a savings account to earn even 0.25% interest, and as little as 0.05% if the deposit is less than \$10,000. That means that a landlord must pay between 6 times to 30 times the interest earned, depending upon how much his account qualifies for, and what he is required by Connecticut law to pay on that deposit, currently 1.50%.

I very much appreciate Ms. Giuliano's prompt response to my concern regarding this matter, and thank all of you for raising House Bill 5437, An Act Concerning Security Deposits, for public hearing and for consideration by the Insurance and Real Estate Committee.

Sincerely,

Nadine Johnson
446 Main Street, U-5
Old Saybrook, CT 06475