AB 414 FAQ – Electronic Security Deposit Returns (Effective Jan. 1, 2026)

Frequently Asked Questions

1. What is the main change under AB 414?

AB 414 requires security deposits to be **returned electronically** when electronic payments were used during the tenancy.

2. Does AB 414 apply to all security deposits?

No. It applies when the landlord **accepted electronic payments** such as ACH, online portals, or payment apps.

3. Can landlords still return deposits by paper check?

Yes, but only if the tenant agrees in writing to receive the deposit by check.

4. Does AB 414 change the 21-day deadline?

No. The deadline remains 21 days.

5. Can itemized statements be emailed?

Yes, with written agreement from the tenant.

6. What if the tenant no longer has the same bank account?

Landlords should request updated account information or obtain written agreement for an alternative refund method.

7. Does AB 414 apply to partial refunds?

Yes. Any remaining portion of the deposit must follow AB 414 procedures.

8. How does AB 414 apply to multiple tenants?

The law allows flexibility but emphasizes **written agreements** on how refunds are delivered.

9. Does AB 414 affect allowable deductions?

No. Deduction rules remain unchanged.

10. Does AB 414 apply if rent was always paid by check?

Not automatically. However, written agreements can still allow electronic refunds.

Common Mistakes to Avoid

- Sending paper checks without written tenant consent
- Forgetting to notify tenants of their electronic refund rights
- Emailing statements without written authorization
- Missing the 21-day deadline while changing refund methods