

Senior citizen tenants under rent control or rent stabilization may be entitled to an exemption from future rent increases under the Senior Citizens Rent Increase Exemption (SCRIE) Program. When a landlord raises the rent, tenants with SCRIE do not have to pay the increased rate. Instead of the increased rent, the landlord is eligible for an equivalent credit on his or her property taxes.

**Tenant Eligibility Requirements:**

- You must be age 62 or older.
- You must be the head of the household (the person whose name is on the lease, or who is the "tenant of record," or who is the older spouse of that person).
- You must live in either a rent controlled or rent stabilized apartment, or a rent regulated hotel unit.
- Your apartment or hotel unit must be your actual residence.
- Your total household income for the previous tax year can not exceed \$29,000. This refers to your household income after taxes-also known as your "aggregate disposable income." Income must be disclosed for all individuals living in the apartment.
- Your monthly rent must be more than one-third of your monthly household income.

**Example:** Due to a recent rent increase, my monthly rent is \$433. My household income after taxes last year was \$12,000 or \$1,000 a month. This monthly income divided by 3 is \$333. My rent of \$433 is greater than one-third of my monthly income (\$333), therefore I meet this eligibility requirement. (If my monthly rent, including the increase, were less than \$333, I would not be eligible for a rent increase exemption.)

**For Rent Controlled Apartments Only:**

You must have an increase in your rent. And the increase must be authorized as "exemptible". This is an increase that the SCRIE Program may pay on your behalf. (Please see Exemptible Increase list below). If there is a rent increase during the same lease period, SCRIE will recalculate your portion of the rent so that such an increase may be exempt in the future (effective June 2002).

**Exemptible Increases** (must be approved by the appropriate State or City agency):

- Lease renewal increases for rent stabilized apartments.
- A rent demand renewal for residential hotel units.
- A maximum collectible rent increase for rent controlled apartments.
- Increases approved to compensate a landlord who demonstrates that his/her rental income fails to offset unavoidable expenses (Hardship Orders).
- A Fuel Cost Adjustment to compensate a landlord for fuel increases.
- A Major Capital Improvement. (MCI) increase to compensate the owner for the cost of building-wide renovations such as a new roof or boiler.
- An approved increase based on special loans

The following increases cannot be considered for an exemption:

- A first lease in a new apartment (tenants who are already SCRIE participants should inquire about "portability options").
- Services such as a doorman, maid or janitor, air conditioning or intercom.
- New equipment, furniture or other furnishings in your unit, or electrical enhancements, additions or adjustments.
- Extra charges for an increase in the number of people in the apartment or additional space.
- Security deposits.
- Rental charges for garages and other ancillary facilities.

### **1. What Happens After I Apply?**

Finance will send you an acknowledgment letter assigning you a docket number. This docket number is used to identify your personal SCRIE record. Your application will be reviewed to ensure that you have provided all the information required to determine if you are eligible, as well as the proper amount of your exemption. If any information is missing from your application, the Finance SCRIE Unit will send you a notice requesting the documentation needed. This could delay the process.

### **2. Do I Need My Landlord's Permission to Apply?**

No. Your eligibility is based upon your application and supporting documents. Your landlord will also receive a notice indicating that you have applied for SCRIE. The landlord is asked to complete a form that provides the Finance SCRIE Unit with specific information about your building.

### **3. How Will I Know If I've Been Approved?**

When the Finance SCRIE Unit has completed its review, you will receive a letter stating whether your application was approved or denied. If denied, you will receive a notice stating the reason you were not eligible for SCRIE benefits. If your application was approved, the letter-- called an Approval Order--will tell you the amount of your rent increase exemption and when your exemption period begins and ends. Your landlord will also receive an Owner Approval Order.

### **4. When Does The Exemption Begin?**

The rent increase exemption generally becomes effective the first day of the month after the Finance SCRIE Unit receives your application. However, the actual effective dates on your exemption will be reflected on the Approval Order you receive from Finance.

Until you receive this notice, you are required to pay the *full rent* without the exemption. After receiving the Approval Order, your landlord must adjust your rent accordingly, including any retroactive adjustments.

If you have already paid your full rent for any period within the effective dates of the Approval Order, your landlord must make arrangements to repay the portion covered by your exemption.

If you are living in a rent controlled apartment and you submit your application within three months of the date your landlord issued the rent increase, your exemption may

be effective on the date of the increase. However, you must continue to pay the full rent until you and your landlord receive an Approval Order.

## 5. What Role Does My Landlord Play?

**For rent stabilized apartments:** Landlords must provide each tenant with a lease stating terms and conditions of the rental agreement, including the monthly rent and the lease dates. It must be signed by both you and your landlord. A copy of this document must be serving orders authorizing MCI adjustments.

**For rent controlled apartments:** Rent controlled apartments which do not require leases, rental orders are issued by DHCR and served to you by the landlord. You are responsible for submitting copies of the following documents to Finance:

- Maximum Base Rent Order of Eligibility (DHCR Form RO-30)
- Notice of Maximum Collectible Rent (MCR) or Notice of Increase in (YEAR) (DHCR Form RN-26 or RN-26L)
- Owner's Report and Certification of Fuel Cost Adjustment Eligibility (Form R33-10), if served by the landlord
- Major Capital Improvement (MCI) Order, if served by the landlord

## 6. What Happens When My Exemption Expires?

To remain eligible for SCRIE, you must renew your benefits every two years. If you have signed a one-year lease, the benefits must be renewed each year when the lease expires.

Finance will send you a Renewal Application before your lease expires. For rent control tenants, we will send a Renewal Application in January of every *even-numbered year*. Simply fill in the requested information and attach copies of the supporting documents. Return the application package to the Finance SCRIE Unit.

When your exemption period expires after one or two years, your landlord is required to extend your SCRIE authorized rent for up to six months. However, failure to recertify will result in the termination of your SCRIE benefits. Then you must repay the landlord that portion of the full legal rent you did not pay during the six-month grace period.

## 7. What Happens If I Move?

If you move to another rent regulated apartment, you must file a Portability Application within 30 days before or after your move.

If you are still eligible for SCRIE at your new address, the amount of your exemption will change. The portion you must pay for rent will be adjusted upward or downward depending on the legal rent of your new apartment.

## 8. What Happens To My SCRIE Benefits When I Die?

In the event of your death, Finance must be notified within 30 days, SCRIE benefits are revoked effective the first month following the date of death, unless there is a surviving household member who is eligible for a transfer of your SCRIE benefits. He or she should send a letter of request to Finance, along with a copy of the Certificate of Death, and proof of birth.

**9. Can My Family Inherit My SCRIE Benefits?**

No. There are no automatic succession rights to SCRIE benefits. However, a surviving household member may qualify for a transfer of your SCRIE benefits. This can happen only if you previously listed the person's name and source of income on your SCRIE application or renewal forms. The surviving individual must also meet the basic criteria for eligibility.

Often a death in the household means a significant loss of income for the surviving household member(s). Under such circumstances, the surviving SCRIE beneficiary may be eligible for a readjustment of the exemption amount. If there has been a permanent loss of 20 percent or more of income, the surviving tenant should inform Finance in writing to request a redetermination

**10. What If I Disagree With A SCRIE Decision?**

Applicants who wish to challenge a decision may file an Administrative Appeal. An Appeal form may be obtained by calling 311, or visit the Finance website at [nyc.gov/finance](http://nyc.gov/finance). Complete the Appeal form and attach a copy of the Order or decision you are appealing. Your Appeal should be postmarked no later than 60 days after the date of the Order. Send it to New York City Department of Finance, SCRIE Program (Appeals), 59 Maiden Lane, 22nd Floor, New York, NY 10038.

Finance will notify you if more information is needed. In some cases, a hearing may be scheduled. After the facts are evaluated, you will be notified of the decision regarding your Appeal.

**11. Who is responsible for paying the security deposit on my apartment?**

It is the tenant's responsibility to pay the security deposit, which is one of several "non-exemptible increases" under the SCRIE Program.

**12. Can my landlord refuse to participate in the SCRIE Program?**

No. Eligible tenants are legally entitled to SCRIE benefits. Landlords do not have the authority to refuse participation or to prevent a tenant from participating in the SCRIE Program.

**13. Who is responsible for paying for appliances, such as the stove, refrigerator, etc?**

These costs are not covered by the SCRIE Program. The tenant and landlord must enter into an agreement stating who will pay for replacement appliances that are normally included in an apartment. The tenant has the option to choose used items rather than new ones. If the tenant opts for used appliances, the landlord must incur the costs. However, if the tenant wants new items, the tenant is responsible for paying the landlord at a rate of 1/40th of the total cost of the item(s) per month.

**14. I Just received my new lease what should I do?**

If you are living in a rent stabilized apartment, you will receive a Renewal Application from the Finance SCRIE Unit before your current lease expires. Please complete the form and attach proof of your household income and a copy of your new lease, which must be signed by you and your landlord and return these documents to New York City Department of Finance, SCRIE Program, 59 Maiden Lane, 22nd Floor, New York, NY 10038.

**15. Why wasn't my rent frozen at one-third my household income?**

The SCRIE laws require that tenants must pay at least one-third of their monthly household income for rent. But sometimes it is more. The tenant's portion of the rent is set at the legal regulated rent he or she was paying before the increase, or, at one-third of the monthly income, whichever is higher.

**16. Can I also deduct medical expenses from my gross household to determine my income eligibility?**

No, medical expenses cannot be deducted to determine your disposable or after-tax household income.

**17. I live in a Mitchell-Lama building. Am I eligible for SCRIE?**

There is a separate SCRIE Program for tenants who live in Mitchell-Lama buildings. This program is administered by the Department of Housing Preservation and Development at 100 Gold Street, Room 5K, New York, NY 10038. For applications and information, call 212-863-8494.

**For More Information or Access to  
SCRIE Forms,  
Please Visit the Finance Website at  
[nyc.gov/finance](http://nyc.gov/finance)  
or  
You May Call 311.**