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LawDroid and Housing Advocate Launch New App To Help NYC Tenants Recover \$100,000,000 in Security Deposits

Depositron launches in New York City to combat millions in illegally withheld deposits, empowering renters with automated legal letters amid enforcement gaps

NEW YORK, NY – July 4, 2025 – Depositron, a new tenant advocacy app, officially launched in New York City today to help renters recover security deposits that landlords have unlawfully withheld. It will be available completely free of charge to the first 1,000 users. The platform automatically generates legally compliant demand letters, addressing a crisis that has seen nearly 5,000 complaints filed with the New York Attorney General since 2023 and \$2.1 million in tenant funds recovered through official intervention.

Despite landmark 2019 legislation that capped security deposits at one month's rent and mandated 14-day returns, systematic violations persist across the city's rental market. Two-thirds of all statewide security deposit complaints originate from NYC's five boroughs, highlighting the city as the epicenter of deposit-related tenant rights violations.



The Crisis in Numbers

New data reveals the scope of the problem facing NYC renters:

- **4,898 security deposit complaints** filed with the NY Attorney General since January 2023- a fraction of the problem
- **\$2.1 million recovered** for tenants through AG mediation in the same period- advocacy works
- **Approximately 50% of Brooklyn small claims cases** relate to security deposit disputes- a huge burden on courts
- **Average upfront rental costs of \$12,951** – the highest level since tracking began in 2010
- **Court resolution times averaging 14+ months** in Queens, discouraging many tenants from pursuing legitimate claims
- **The majority of security deposit issues are probably unreported**, with tenants

abandoning their claims because of a lack of simple solutions

- **Potentially a \$100,000,000+ problem**

Under New York State law, landlords must return security deposits within 14 days of a tenant's move-out date. However, research shows that many landlords routinely violate this requirement through tactics including simply ignoring the deadline, making excessive damage claims without documentation, and becoming non-responsive to tenant requests.

Systemic Enforcement Gaps Leave Tenants Vulnerable

While the Attorney General's mediation service has proven effective – often resolving disputes within days of intervention – severe court backlogs and geographic barriers prevent many tenants from recovering their money. Small claims court cases average over a year to resolve in some boroughs, with additional challenges in collecting judgments even after winning.

"Access to justice should not be determined by your zip code, your income, or your ability to navigate complex legal systems," said **Tom Martin**, CEO of LawDroid, the company that built Depositron. "When nearly 5,000 New York tenants file complaints about withheld security deposits in just two years, we're not looking at isolated incidents, we're witnessing systematic barriers that prevent people from asserting their legal rights. Technology deployed thoughtfully can ensure that justice is neither delayed nor denied to those who need it most."

Housing Affordability Crisis Intensifies

Security deposit violations contribute significantly to NYC's housing affordability crisis, with an estimated \$507 million tied up in deposits citywide according to the NYC Comptroller's analysis. For a typical \$3,600 monthly apartment, tenants face upfront costs totaling over \$12,000, creating barriers that prevent housing mobility and force compromises on housing quality.

The issue disproportionately affects low-income tenants, communities of color, and young renters who struggle to accumulate substantial upfront capital. Research shows 44% of renters save for multiple months to afford upfront expenses, while 18% delay moves due to cost burdens.

How Depositron Works

The web app streamlines the entire demand letter process:

- Tenants input basic information including their name, rental address, deposit amount, and landlord details
- Users upload photos documenting the property's condition at move-out
- Depositron automatically generates a professional demand letter citing relevant New York State law

- The letter includes legal warnings about consequences for non-compliance and preserves the tenant's right to pursue small claims court action
- The letter serves as evidence in future legal claims

"For too long, tenants have faced needless barriers when trying to recover their own money. A tool that helps renters retrieve security deposits isn't just about dollars and cents—it's about dignity, accountability, and restoring balance in a system that too often favors landlords. This is a step toward housing justice we can measure in real time," said **Sateesh Nori**, Clinical Adjunct Professor at NYU School of Law and housing attorney and advocate.

Nori conceived of the idea of using AI to recover tenants' security deposits and Martin helped to make that vision a reality.

Addressing a \$100,000,000 Million Problem

The New York Attorney General's office has documented recovering \$2.1 million for tenants since 2023, but this represents only a fraction of total violations. Common illegitimate practices include charging for normal wear and tear like small nail holes and repainting, failing to provide itemized deduction statements, and missing the 14-day return deadline entirely.

The 2019 Housing Stability and Tenant Protection Act introduced automatic forfeiture provisions that strip landlords of any right to retain deposits if they miss the deadline, yet many property owners appear unaware of or deliberately ignore these requirements.

Technology as an Equalizer

LawDroid's mission extends beyond individual cases to create systemic impact. Martin explains, "Every professionally formatted demand letter sent through Depositron signals to landlords that tenants are informed, prepared, and willing to enforce their rights. This shifts the cost-benefit calculation that leads to routine violations in the first place."

The company plans to aggregate anonymized data on success rates, common violations, and geographic patterns to create resources that benefit the entire tenant advocacy ecosystem. Housing organizations, policymakers, and enforcement agencies can use this intelligence to target interventions more effectively and measure progress in real time.

Immediate Impact Expected

Depositron's launch comes as tenant advocacy organizations report increased demand for security deposit assistance. The platform addresses the gap between the highly effective but overwhelmed Attorney General mediation service and the time-consuming small claims court process.

Availability

Depositron is now available at <https://nyc.depositron.com/> and is specifically optimized for New York State rental law. LawDroid plans to expand to additional states based on user demand and regulatory requirements, as part of its broader mission to democratize access to legal tools across common legal challenges.

About LawDroid

Founded by CEO Tom Martin, LawDroid is committed to transforming access to justice through innovative legal technology solutions. The company believes that technology should serve justice, not just profit, and that basic legal protections should be available to everyone, not just those who can afford traditional representation. Depositron represents the first of multiple planned tools designed to automate routine legal tasks and empower individuals to assert their rights effectively.

Sateesh Nori is a housing lawyer, law professor, and legal tech consultant at Just-tech LLC. He has fought on behalf of tenants in New York City for more than twenty years. He is the author of “Sheltered: Twenty Years in Housing Court.”

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