

(6) (I) A SURETY BOND MAY BE USED TO PAY CLAIMS BY A LANDLORD FOR:

1. UNPAID RENT;
2. DAMAGE DUE TO BREACH OF LEASE; OR
3. DAMAGE BY THE TENANT OR THE TENANT'S FAMILY, AGENTS, EMPLOYEES, GUESTS, OR INVITEES IN EXCESS OF ORDINARY WEAR AND TEAR TO THE LEASED PREMISES, COMMON AREAS, MAJOR APPLIANCES, OR FURNISHINGS OWNED BY THE LANDLORD.

(II) A SURETY BOND DOES NOT REPRESENT LIQUIDATED DAMAGES AND MAY NOT BE USED AS PAYMENT TO A LANDLORD FOR BREACH OF THE RENTAL AGREEMENT, EXCEPT IN THE AMOUNT THAT THE LANDLORD IS ACTUALLY DAMAGED BY THE BREACH.

(III) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH, A SURETY MAY NOT DIRECTLY OR INDIRECTLY MAKE ANY OTHER PAYMENT TO A LANDLORD.

(7) AT LEAST 10 DAYS BEFORE A LANDLORD MAKES A CLAIM AGAINST A SURETY BOND SUBJECT TO THIS SUBSECTION, THE LANDLORD SHALL SEND TO THE TENANT BY FIRST-CLASS MAIL DIRECTED TO THE LAST KNOWN ADDRESS OF THE TENANT, A WRITTEN LIST OF THE DAMAGES TO BE CLAIMED AND A STATEMENT OF THE COSTS ACTUALLY INCURRED BY THE LANDLORD.

(8) (I) A TENANT SHALL ~~RETAIN THE OPTION~~ HAVE THE RIGHT TO PAY ANY DAMAGES DIRECTLY TO THE LANDLORD OR REQUIRE THE LANDLORD TO USE THE TENANT'S SECURITY DEPOSIT, IF ANY, BEFORE THE LANDLORD MAKES A CLAIM AGAINST THE SURETY BOND.

(II) IF A TENANT PAYS ANY DAMAGES DIRECTLY TO THE LANDLORD OR REQUIRES THE LANDLORD TO USE THE TENANT'S SECURITY DEPOSIT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AND THE PAYMENT FULLY SATISFIES THE CLAIM, THE LANDLORD SHALL FORFEIT THE RIGHT TO MAKE A CLAIM UNDER THE SURETY BOND FOR ANY DAMAGES COVERED BY THE TENANT'S PAYMENT OR THE AMOUNT DEDUCTED FROM THE TENANT'S SECURITY DEPOSIT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(9) (I) THE TENANT MAY DISPUTE THE LANDLORD'S CLAIM TO THE SURETY BY SENDING A WRITTEN RESPONSE BY FIRST-CLASS MAIL TO THE SURETY WITHIN 10 DAYS AFTER RECEIVING THE LANDLORD'S CLAIM ON THE SURETY.

(II) IF THE TENANT DISPUTES THE CLAIM, THE SURETY MAY NOT REPORT THE CLAIM TO A CREDIT REPORTING AGENCY PRIOR TO OBTAINING A JUDGMENT FOR THE CLAIM AGAINST THE TENANT.

(9) (10) IN ANY PROCEEDING BROUGHT BY THE SURETY AGAINST THE TENANT ON A SURETY BOND UNDER THIS SUBSECTION: