

# How to complete a Month-to-Month Lease in Texas

Open-ended residential lease with notice-to-vacate clause and recurring monthly rent.

## What this form is for

Landlords and property managers use this form to lease residential property on a rolling monthly basis without a fixed end date, allowing either party to terminate with proper notice. It is common for short-term tenants, trial rental periods, or situations requiring flexible exit options.

## Before you start

- Complete property address including unit number if applicable
- Monthly rent amount and due date you have agreed upon with the tenant
- Security deposit amount and terms for refund or deductions
- Number of days notice required for either party to terminate (Texas law requires written notice but does not mandate a minimum period unless specified in the lease)
- Tenant names, phone numbers, and current mailing addresses for all adult occupants
- Utility responsibility breakdown showing which party pays water, electric, gas, trash, and other services
- Any pet deposits, late fees, or additional charges you plan to impose

## Step-by-step

1. Fill in the landlord and tenant full legal names at the top of the form, along with the complete property address being leased.
2. Enter the monthly rent amount in numbers and words, the day of the month rent is due, and the acceptable payment methods or location for payment.
3. Specify the security deposit amount and describe conditions for return, deductions for damages, and timeline for refund after move-out. Texas law requires landlords to return deposits within 30 days and provide an itemized list of deductions.
4. Insert the notice period both landlord and tenant must provide before terminating the lease. Be consistent for both parties unless you have specific business reasons to vary the terms.
5. Detail which utilities and services the tenant must pay versus those included in rent, and confirm the tenant will transfer accounts into their name by the move-in date.
6. List any restrictions such as no smoking, pet policies, guest limitations, or prohibited alterations to the property.
7. Include Texas-required disclosures such as lead-based paint warnings for pre-1978 properties and any homeowner association rules that bind the tenant.

8. Add late fee structure, including grace period if any, and returned check charges that comply with Texas statutory limits.

9. Review signature blocks and date lines, ensuring all adult tenants and the landlord or authorized agent sign and date the document.

## What lenders look for

- Banks reviewing your rental property portfolio want consistent monthly income documentation, so attach signed leases even for month-to-month tenants and maintain records of on-time payments through bank statements or a rent roll.
- Underwriters view month-to-month arrangements as higher risk than fixed-term leases because income can disappear with short notice, so be prepared to show tenant payment history for at least six months and possibly justify occupancy stability.
- Missing Texas-specific disclosures or noncompliant security deposit handling can trigger legal issues that lenders discover during due diligence, potentially delaying loan approval or requiring you to cure defects before closing.