

STATE OF CONNECTICUT
Regulation of
Department of Consumer Protection
Concerning
Real Estate Licensees

Section 1. Sections 20-325d-1 to 20-325d-7, inclusive, of the Regulations of Connecticut State Agencies are amended to read as follows:

Sec. 20-325d-1. Definitions.

For the purposes of Sections 20-325d-1 through 20-325d-7, inclusive, of [these regulations] the Regulations of Connecticut State Agencies, the definitions set forth in sections 20-311, 20-329a, and 20-329cc of the Connecticut General Statutes shall apply, and the following terms shall have the meanings indicated:

[(a) “Broker” or “Real estate broker” means “real estate broker” as this term is defined by Connecticut General Statutes Section 20-311(1), as amended;

(b) “Salesman” or “Real estate salesman” means “real estate salesman” as this term is defined by Connecticut General Statutes Section 20-311(2), as amended;

(c) “Seller’s Agent” or “Agent of the seller” means a broker or who acts in a fiduciary capacity for the prospective seller or prospective lessor in a real estate transaction;]

[(a)][(d)] “Buyer’s agent” or “Agent of the buyer” means a real estate [broker or real estate salesman] licensee who acts in a fiduciary capacity for the prospective buyer or prospective lessee in a real estate transaction;

[(b)][(e)] “Dual agent” means a real estate [broker or real estate salesman] licensee who acts in a fiduciary capacity for both the prospective seller or prospective lessor and the prospective buyer or prospective lessee in a real estate transaction; [and]

[(f) “Licensee” means real estate broker and/or real estate salesman.]

[(c) “Seller’s Agent” or “Agent of the seller” means a broker or salesperson who acts in a fiduciary capacity for the prospective seller or prospective lessor in a real estate transaction.

Sec. 20-325d-2. Agency disclosure.

(a) A real estate [broker or real estate salesman,] licensee, when acting as a seller’s agent, shall make a written disclosure of whom the brokerage firm and its agents represent to prospective buyers or lessees, unless such prospective buyer or lessee is represented by another real estate broker. A real estate [broker or real estate salesperson,] licensee, when acting as a buyer’s agent, shall make a written disclosure of whom the brokerage firm and its agents represent to prospective sellers or lessors, unless such prospective seller or lessor [is represented by] has entered into a representation agreement with another [real estate] broker. [The disclosure shall be in one of the following forms:

Form 1

**Dual Agency/Designated Agency
Disclosure Notice and Consent Agreement
Given to Persons Represented by the Same Brokerage Firm**

Brokerage Firm: _____

Property Address: _____

Buyer (tenant): _____

Seller (landlord): _____

The brokerage firm has entered into a written agency relationship with both buyer and seller (or tenant and landlord). Buyer (tenant) is now interested in buying (leasing) seller's (landlord's) property. If this transaction proceeds, the brokerage firm will be a dual agent, since the brokerage firm represents both parties. Connecticut law allows a brokerage firm to be a dual agent, but only after both buyer and seller (or tenant and landlord) understand what dual agency is and consent to it.

Connecticut law also allows brokerage firms that are dual agents to appoint individual designated agents within their firm to solely represent buyer and

seller (or tenant and landlord); again, this designation can only be made after both buyer and seller (or tenant and landlord) understand what designated agency is and consent to it.

Both buyer and seller (or tenant and landlord) are free to seek legal and tax advice with regard to this transaction, and with regard to all documents signed in connection with this transaction.

Understanding dual agency

Dual agency means that the brokerage firm, and all the brokers and salespersons for the firm (unless designated agency is chosen) act in a fiduciary capacity for both buyer and seller (or tenant and landlord). In dual agency, the brokerage firm does not represent either the buyer or seller (or tenant or landlord) exclusively, and the parties can not expect the brokerage firm's undivided loyalty.

The brokerage firm may not disclose to either the buyer or seller (or tenant or landlord) any personal, financial, or confidential information to the other party except as authorized by either party or required by law. The brokerage firm may not disclose, unless otherwise instructed by the respective party:

- To buyer (tenant) that seller (landlord) will accept less than the asking or listed price;
- To the seller (landlord) that the buyer (tenant) can pay a price greater than the price submitted in a written offer to the seller, unless otherwise instructed to do so in writing by the buyer (tenant);
- The motivation of either buyer or seller (or tenant or landlord) for selling, buying, leasing the property; and
- That buyer or seller will agree to financing terms other than those offered.

Dual agency consent

Buyer and seller (or landlord and tenant) understand dual agency and consent to the brokerage firm acting as a dual agent in this transaction.

Understanding designated agency

Designated agency means the appointment by the brokerage firm of one broker or salesperson (referred to as agent) affiliated with or employed by the brokerage firm to solely represent buyer (tenant) as a designated buyer's agent and appoint another to solely represent seller (landlord) as a designated seller's agent in this transaction.

A designated buyer's agent and designated seller's agent owe the party for whom they have been appointed undivided fiduciary obligations, such as loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accountability.

The designated agent is not deemed to be a dual agent, and thus does not owe fiduciary duties to the other party. A designated agent may use confidential information obtained about the other party while a designated agent for the benefit of the party for whom they have been appointed, however, information obtained before the designation is still confidential. In the case of designated agency, the brokerage firm is still considered a dual agent.

Appointment of designated agents

Buyer and seller (or landlord and tenant) understand designated agency and have agreed to the appointment of designated agents.

If designated agency has been agreed to, the following designated agents have been appointed:

_____ has been designated to solely represent buyer (tenant) as a designated buyer agent.

_____ has been designated to solely represent seller (landlord) as a designated seller agent.

Appointing broker/authorized agent: _____

Date: _____

Acknowledgment of buyer (tenant)**Acknowledgement of seller (landlord)**

Signature(s)

Date

Signature(s)

Date

Print name(s)

Print name(s)

Form 2**Real Estate Agency Disclosure Notice
Given to Unrepresented Persons**

This is not a contract. Connecticut law requires that you be given this notice disclosing whom the real estate licensee represents. The purpose of such disclosure is to enable you to make informed choices about your relationship with real estate licensees.

Given to: _____ (Unrepresented person/persons)
on _____ (date)
Our firm _____ represents ☐ Seller ☐ Landlord
☐ Buyer ☐ Tenant

Unrepresented Person(s)'s Rights and Responsibilities

1. The brokers and salespersons (referred to as agents or licensees) in this transaction owe the other party to this transaction undivided fiduciary obligations, such as: loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accountability. The agent(s) must put the other party's interest first and negotiate for the best terms and conditions for them, not for you.
2. All real estate agents, whether representing you or not, are obligated by law to treat all parties to a real estate transaction honestly and fairly.
3. You have the responsibility to protect your own interests. Carefully read all agreements to make sure they accurately reflect your understanding. If you need additional advice for legal, tax, insurance or other such matters, it is your responsibility to consult a professional in those areas.
4. Whether you are a buyer, seller, tenant, or landlord, you can choose to have the advice, assistance and representation of your own real estate brokerage firm and its agents. Do not assume that a real estate brokerage firm or its agents are representing you or are acting on your behalf *unless you have contracted in writing* with that real estate brokerage firm.

Acknowledgment of unrepresented person(s)***Acknowledgement of agent**_____
*Signature(s)*_____
*Signature*_____
*Print name(s)*_____
Print name

Date: _____

Date: _____

*To be signed by the buyer/tenant when the agent represents the seller/landlord, or
To be signed by the seller/landlord when the agent represents the buyer/tenant

(b) (1) A real estate broker or real estate salesperson, when acting as a dual agent, shall make a written disclosure of dual agency to all parties by using the dual agency consent agreement, Connecticut General Statutes section 20-325g, or the dual agency designated agency disclosure notice and consent agreement as set forth in the Connecticut regulations concerning designated agency.

(2) Real estate brokers who represent both buyers and sellers shall disclose the potential for a dual agency situation in their listing agreements and buyer agency agreements.]

(c) The disclosures required by subsection 20-325d-2(a) of the Regulations of Connecticut State Agencies shall be provided by the real estate licensee on a form prescribed by the Commissioner of Consumer Protection and posted on the department's Internet web site. In addition to the required disclosures, such form shall include, but not be limited to:

(1) The name of the real estate licensee;

(2) The property address;

(3) The name of the buyer;

(4) The name of the seller; and

(5) A clear statement of who is and is not represented by the real estate licensee.

(d) A real estate licensee, when acting as a dual agent, shall make a written disclosure of dual agency to all parties by using the dual agency consent agreement provided in section 20-325g of the Connecticut General Statutes. Such consent agreement may contain the disclosures required by subsection 20-325d-2(e) of the Regulations of Connecticut State Agencies.

(e) Upon appointment of designated agents, permitted pursuant to section 20-325i of the Connecticut General Statutes, the appointing broker or authorized licensee shall: (1) provide written notice to the seller or landlord and the buyer or tenant; and (2) obtain written consent signed from the seller or landlord and the buyer or tenant. Written notice shall include, but not be limited to: A description of the roles and responsibilities of appointing brokers and designated agents; An acknowledgment from the seller or landlord and the buyer or tenant that they consent to the appointment of designated agents; Names of the appointed designated agents for the seller or landlord and the buyer or tenant; and Name of appointing broker or authorized agent of such appointing broker.

Sec. 20-325d-5. Time of disclosure.

(a) Any real estate licensee acting as a seller's agent or intending to act as a seller's agent shall give the disclosure required by Section 20-325d-2 of these regulations to the prospective buyer or lessee at the beginning of the first personal meeting concerning the prospective buyer's or lessee's specific real estate needs. The disclosure shall be signed by the prospective buyer or lessee and the [broker or salesman,] real estate licensee, and shall be attached to any offer, binder, option, agreement to purchase or lease. If the prospective buyer or lessee refuses to sign the disclosure, the seller's agent shall note this refusal on the line indicated for the prospective buyer's or lessee's signature.

(b) Any real estate licensee acting as a buyer's agent or intending to act as a buyer's agent shall give the disclosure required by Section 20-325d-2 of these regulations to the seller or lessor or to the seller's or lessor's agent at the beginning of the first personal meeting with the seller or lessor or the seller's or lessor's agent concerning the seller's or lessor's real property. The disclosure

shall be signed by the seller or lessor, or the seller's or lessor's agent, and the prospective buyer's agent, and shall be attached to any offer, binder, option, agreement to purchase or lease. If the seller, lessor or seller's or lessor's agent refuses to sign the disclosure, the prospective buyer's agent shall note this refusal on the line indicated for the seller's, lessor's or seller's or lessor's agent's signature.

Sec. 20-325d-6. Disclosure by [cooperating licensees] Cooperating Licensees.

[(a) The notices required by Connecticut General Statutes Section 20-325d need only be given once to each prospective seller, lessor, buyer or lessee by a real estate licensee.]

(a)[(b)] Any real estate licensee acting as a cooperating real estate licensee shall be responsible for providing the notice required by [Connecticut General Statutes] section] Section 20-325d of the Connecticut General Statutes, unless no cooperating real estate licensee is involved, in which case the seller's or buyer's agent or the dual agent shall be responsible for providing the notice.

Sec. 20-325d-7. Open houses, auctions.

(a) The disclosure to prospective buyers or lessees required by Connecticut General Statutes Section 20-325d need not be given to individuals who attend an open house, provided that:

(1) the real estate licensee, by sign, poster, pamphlet or other similar means, conspicuously discloses the real estate licensee's agency relationship; and

(2) no personal meeting concerning the prospective buyer's or lessee's specific real estate needs is held. If such a meeting is held, the written disclosure shall be given at the beginning of the meeting.

(b) The disclosure to prospective buyers or lessees required by Connecticut General Statutes Section 20-325d need not be given to individuals who attend a real estate auction, provided that:

(1) the real estate licensee, by sign, poster, pamphlet or other similar means, conspicuously discloses the licensee's agency relationship; and

(2) the real estate licensee provides the disclosure to the successful bidder prior to the time a written offer to purchase is executed.

Sec. 2. Sections 20-328-1a to 20-328-10a, inclusive, of the Regulations of Connecticut State Agencies are amended to read as follows:

Sec. 20-328-1a. Definitions.

For purposes of Sections 20-328-1a through 20-328-18a, [20-328-10a,] the definitions set forth in sections 20-311, 20-329a, and 20-329cc of the Connecticut General Statutes shall apply. In addition, the following terms shall have the meanings indicated:

[(a) "Blockbusting" means to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, creed, religion, color, national origin, ancestry, sex, familial status, marital status, age, sexual orientation, lawful source of income, learning disability, mental retardation or physical or mental disability, including but not limited to blindness or deafness;

(b) "Broker" or "Real estate broker" means "real estate broker" as this term is defined by Connecticut General Statutes, Section 20-311 (1) as amended;

(c) “Commercial real estate transaction” means “Commercial real estate transaction” as defined in Connecticut General Statutes, Section 20-311(9), as amended;]

(a) [(d)] “Licensee” means “real estate licensee” as this term is defined by section 20-311 (26) of the Connecticut General Statutes, as amended. [“Real estate broker” or “real estate salesman” as these terms are defined by the Connecticut General Statutes, Section 20-311(1) and (2);

(e) “Net listing” means a listing contract in which the broker receives as a commission all excess moneys over and above the minimum sales price agreed upon by the broker and seller;

(f) “Salesperson” or “Real estate salesperson” means “real estate salesperson” as this term is defined by Connecticut General Statutes, Section 20-311(2); and

(g) “Steering” means to restrict or attempt to restrict, because of race, creed, religion, color, national origin, ancestry, sex, familial status, marital status, age, sexual orientation, lawful source of income, learning disability, mental retardation or physical or mental disability, including but not limited to blindness or deafness, the choices of a person by word or conduct in connection with seeking, negotiating for, buying or renting a dwelling so as to perpetuate, or tend to perpetuate, segregated housing patterns, or to discourage or obstruct choices in a community, neighborhood or development.

(h) “Advertising” means all forms of identification, representation, promotion and solicitation disseminated in any manner and by any means of communication to the public for any purpose related to engaging in the real estate business.]

Sec. 20-328-2a. Duties to parties.

(a) A licensee shall not undertake to provide professional services concerning a property or its value where the licensee has a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

(b) A licensee shall not acquire an interest in or buy for himself or herself, any member of the licensee’s immediate family, the licensee’s firm or any member thereof, or any entity in which the licensee has a substantial ownership interest, property listed with the licensee, without disclosing to the listing owner the licensee’s relationship to the prospective buyer or lessee. In selling or leasing property owned by the licensee or in which the licensee has any interest, the licensee shall reveal the extent of his or her ownership or interest to the prospective buyer or lessee.

(c) A licensee accepting an exclusive right to sell or lease listing or an exclusive agency to sell or lease listing shall make a diligent effort to sell or lease the property listed. A licensee who agrees to become an exclusive agent of a prospective buyer or lessee shall make a diligent effort to find a property within the prospective buyer’s or lessee’s specifications.

(d) No licensee shall submit to an owner a written offer to purchase or lease real property unless either (1) such offer contains the essential terms and conditions of the offer, including the manner in which the purchase is to be financed; or (2) such offer is conditioned upon the later execution of a bond for deed or complete agreement for sale. No licensee shall submit to an owner a written agreement or a bond for deed for the sale of real estate which contains a mortgage contingency clause which conditions the prospective buyer’s performance on obtaining a mortgage from a third party unless the contingency clause includes at least the

following: (1) the principal amount of the mortgage the prospective buyer [must]shall obtain; (2) the time period within which the mortgage commitment [must]shall be obtained; and (3) the term of years of the mortgage.

(e) (1) The listing [real estate] broker shall submit all offers or counter-offers to the seller, owner or lessor as quickly as possible. Unless the listing [real estate] broker and the seller, owner or lessor agree otherwise, the listing [real estate] broker shall not be obligated to continue to market the property after an offer or counter-offer has been accepted. After the acceptance of an offer or counter-offer, the listing [real estate] broker shall advise any other offerors that an offer or counter-offer on the listed property has been accepted.

(2) A licensee acting as the agent of the buyer or lessee shall present all offers or counter-offers to the prospective buyer or lessee as quickly as possible. Unless a licensee acting as the agent of the prospective buyer or lessee and the buyer or lessee agree otherwise, the licensee shall not be obligated to continue to show properties to the prospective buyer or lessee after an offer or counter-offer has been accepted.

(f) (1) All dealings concerning property exclusively listed with an agent shall be conducted with the listing agent, and not the seller, owner or lessor. A licensee may contact the seller, owner or lessor of property exclusively listed with an agent if the listing agent consents to the contact or the licensee, after diligent effort, is unable to communicate with the listing agent or a licensee designated by the listing agent to service the listing in the listing agent's absence.

(2) All dealings concerning a prospective buyer or lessee who is exclusively represented by an agent shall be conducted with the prospective buyer's or lessee's agent, and not with the prospective buyer or lessee. A licensee may contact a prospective buyer or lessee who is exclusively represented by an agent if the agent representing the prospective buyer or lessee consents to the contact or the licensee, after diligent effort, is unable to communicate with the prospective buyer's or lessee's agent or a licensee designated by the buyer's or lessee's agent to service the buyer in the buyer's or lessee's agent's absence.

(g) No signs shall be placed on any property which relate to a real estate transaction without the written consent of the owner or the lessor, or his or her duly authorized agent or fiduciary.

(h) In the sale or lease of property which is exclusively listed with a [real estate] broker pursuant to an exclusive right to sell or lease listing or an exclusive agency to sell or lease listing, the broker shall cooperate with other [real estate] brokers upon mutually agreed upon terms when it is in the best interests of the party or parties for whom the broker is acting.

Sec. 20-328-3a. Duty to cooperate with department and real estate commission.

(a) A licensee shall cooperate with department staff if the licensee is contacted in connection with an investigation performed by the Department of Consumer Protection concerning possible violations of real estate statutes or regulations. A licensee shall not make any untruthful or misleading statements in connection with any Department of Consumer Protection or [Real Estate] Commission investigation or hearing.

(b) Every person required by Chapter 392 of the Connecticut General Statutes, and the adopted regulations, to prepare, obtain or keep documents, and every person in charge, or having custody, of such documents, shall maintain such documents in an auditable format for

no less than seven years. Upon request, such person shall make such documents immediately available for review to the department, in electronic form, unless not commercially practical, and submit copies to the department. The commissioner may request any information the commissioner deems necessary for the proper administration of Chapter 392 of the Connecticut General Statutes and the adopted regulations.

Sec. 20-328-4a. Discrimination and fair housing.

(a) [A licensee shall neither deny equal professional services to any person nor be party to any plan or agreement to discriminate against a person or persons on the basis of race, creed, color, national origin, ancestry, sex, marital status, age, sexual orientation, lawful source of income, learning disability, mental retardation, mental disability, or physical disability, including, but not limited to, blindness or deafness. A licensee shall not violate any federal or state fair housing statute or regulation.

(b)] No licensee shall participate in activities which constitute a violation of section 46a-64c of the Connecticut General Statutes [blockbusting or steering].

[(c)] (b) A licensee shall place in all listing and buyer agency agreements a statement in the following form: This agreement is subject to the Connecticut General Statutes prohibiting discrimination in commercial and residential real estate transactions (C.G.S. Title 46a, Chapter 814c).

Sec. 20-328-5a. Misrepresentation, disclosure and advertising.

(a) A licensee shall not misrepresent or conceal any material facts in any transaction.

(b) No licensee shall misrepresent the actual selling price of real estate to any lender or any other interested party, either verbally or through the preparation of a false sales contract.

(c) A [real estate] broker shall exercise diligence at all times in obtaining and presenting accurate information in the broker's advertising and representations to the public. No broker shall advertise to sell, buy, exchange, rent or lease the property of another in a manner indicating the offer to sell, buy, exchange, rent or lease such property is being made by a private party not engaged in the real estate business. The [real estate] broker shall neither advertise without disclosing the broker's name nor permit any person associated with the broker to use individual names, telephone numbers or mailing addresses, to the exclusion of the name of such broker.

(d) No [real estate] licensee shall modify or change the listing information of a [real estate] broker without the express permission of the [real estate] broker. No [real estate] licensee shall advertise real estate listed with a [real estate] broker [with whom the real estate licensee is not affiliated without] other than their supervising licensee without:

(1) the permission of the listing [real estate] broker. No real estate licensee shall advertise real estate listed with a real estate broker with whom the real estate licensee is not affiliated without] broker;

(2) updating such [advertising at least once every] listing within seventy-two hours after any change to the listing; and [hours. No real estate licensee shall advertise real estate listed with a real estate broker with whom the real estate licensee is not affiliated without]

(3) [identifying that] disclosing the real estate is not listed with the [real estate] licensee.

(e) [A real estate licensee advertising or marketing on an internet site, owned or controlled by the real estate licensee, shall include on the home page of the site on which the real estate licensee's advertisement or information appears the following data:

- (1) licensee's name and office address as it appears on said licensee's real estate license;
- (2) name of the real estate broker with whom the licensee is affiliated, as that real estate broker's name is registered with the commission;
- (3) all states in which the licensee holds a salesperson or broker license;
- (4) last date on which property information shown on the site was revised.] Any

salesperson or associate broker advertising in print shall include in such advertisement

(1) the name of the salesperson or associate broker as it appears on such person's license, and (2) a phone number or email address for such salesperson or associate broker. Such advertisement shall also include the (1) name of the supervising licensee as it appears on the supervising licensee's license and (2) supervising licensee's phone number or email address. The supervising licensee's contact information shall both be in the same size font, or larger font, as the salesperson or associate broker's contact information in any print advertisement.

(f) [A real estate licensee using internet electronic communication for advertising or marketing, including but not limited to e-mail, e-mail discussion groups, and bulletin boards, shall include on the first or last page of all communications the following data:

- (1) the licensee's name and office address;
- (2) the name of the real estate broker with whom the licensee is affiliated as that real estate broker's name is registered with the commission;
- (3) all states in which the licensee holds a salesperson or broker license.] Any
salesperson or associate broker advertising via publishing or posting on a social media site or a computer or mobile phone application, a text message or similar messaging service, or an email shall include the name of the salesperson or associate broker as it appears on the salesperson's or associate broker's license, prominently displayed, and a link to an internet site that complies with the requirements for internet sites set forth in subsection (g) of this section.

(g) Any salesperson or associate broker advertising on an internet site shall prominently display on each page of the site the name of the salesperson or associate broker as it appears on the salesperson's or associate broker's license, a phone number or email address for such salesperson or associate broker, and the last date on which property information shown on the site was revised, unless such property information is updated automatically as changes are made in the multiple listing service (or MLS). Such internet site shall also include on each page the name of the supervising licensee as it appears on the supervising licensee's license in at least the same size font as the name of the salesperson or associate broker and either supervising licensee's phone number or email address, both in at least the same size font as the salesperson's or associate broker's contact information.

(h) Any print advertising by a supervising licensee for property or services shall prominently display such supervising licensee's name as it appears on the supervising licensee's license and a

phone number or email for such supervising licensee. If the advertisement is made on behalf of or in coordination with another supervising licensee, the advertisement shall display the name and phone number of all supervising licensees responsible for the advertisement.

(i) Any supervising licensee advertising via publishing or posting on a social media site or a computer or mobile phone application, a text message or similar messaging service, or an email shall include the name of the supervising licensee as it appears on the supervising licensee's license, prominently displayed and a link to an internet site that complies with the requirements for internet sites pursuant to subsection (j) of this section.

(j) Any supervising licensee's advertising on an internet site shall prominently display on each page of the site the name of the supervising licensee as it appears on the supervising licensee's license, a phone number or email for such supervising licensee and the last date on which property information shown on the site was revised, unless such property information is updated automatically as changes are made in the multiple listing service. If a supervising licensee is advertising services or property on behalf of or in conjunction with another licensee, the internet sites applicable to such services or property shall contain the name, phone number and email for both the advertising supervising licensee and the licensee with whom they have such business relationship.

(k) A salesperson, supervising licensee, or associate broker, who is not a licensed business entity, shall not use the words Incorporated, Corporation, Company, Limited Liability Company, Partnership, Partners, Agency, Realty, Team or any abbreviation or variation of the foregoing, or any word that implies that an individual licensee is a business entity, in any advertisement.

Sec. 20-328-6a. [Agreements] Agreements. Net listings prohibited.

(a) (1) Before a licensee attempts to negotiate a sale, exchange, or lease of real estate, other than a commercial real estate transaction, on behalf of the owner or lessor of real estate, the licensee shall enter into a listing agreement with the party or parties for whom the licensee will act. All listing agreements shall be in writing, properly identifying the property and containing all of the terms and conditions of the sale, exchange or lease, including the commission to be paid, the date on which the listing agreement is entered into and its expiration date. The listing agreement shall be signed by the owner, seller or lessor or an agent authorized to act on behalf of the owner, seller or lessor only by a written document executed in the manner provided for conveyances in [Connecticut General Statutes], [[S]section] section 47-5 of the Connecticut General Statutes, and by the broker or the broker's authorized agent. The type of listing shall be clearly indicated in the listing agreement. The licensee shall deliver immediately a copy of any listing agreement to any party or parties executing the same, where such listing agreement has been prepared by such licensee or under the licensee's supervision and where such listing agreement relates to a real estate transaction with which the licensee is associated as a broker or a [salesman] salesperson. For listing agreements entered into on or after October 1, 2004, if the [real estate] broker permits [real estate] licensees not affiliated with the broker to advertise the real estate, the broker shall disclose such permission and all exceptions to the advertising on the listing agreement and obtain the owner's or lessor's authorization for such advertising.

(2) Before a licensee attempts to negotiate a purchase, exchange or lease of real estate, other than a commercial real estate transaction, on behalf of a prospective buyer or lessee of real estate, the licensee shall enter into an agency agreement with the party or parties for whom the licensee will act. All agency agreements shall be in writing, containing all of the terms and conditions of the agency agreement, including the compensation to be paid, the date on which the agency agreement is entered into and its expiration date. The agency agreement shall be signed by the prospective buyer or lessee or an agent authorized to act on behalf of the prospective buyer or lessee only by a written document executed in the manner provided for conveyances in [Connecticut General Statutes,] section 47-5 of the Connecticut General Statutes, and by the broker or the broker's authorized agent. The licensee shall deliver immediately a copy of any agency agreement to any party or parties executing the same, where such agency agreement has been prepared by such licensee or under the licensee's supervision and where such buyer agency agreement relates to a real estate transaction with which the licensee is associated as a broker or [salesman] salesperson.

(b) For all instruments other than listing agreements, buyer agency agreements or lessee agency agreements, the licensee, for the protection of all parties, shall use his or her best efforts to assure that all contractual commitments regarding real estate transactions with which the licensee is associated are in writing, dated, and express the agreement of the parties. The licensee shall deliver immediately a copy of any such instrument to any party or parties executing the same, where such instrument has been prepared by such licensee or under the licensee's supervision and where such instrument relates to a real estate transaction with which the licensee is associated as a broker or a [salesman] salesperson.

(c) No licensee shall accept or enter into a [net listing.] listing contract in which the broker receives as a commission all excess moneys over and above the minimum sales price agreed upon by the broker and seller. In cases where the owner or the lessor wishes to list in this manner, the agreed upon fee shall be added and listings made in the usual manner.

(d) A licensee attempting to negotiate or negotiating a sale, exchange, or lease of a commercial real estate transaction shall obtain a listing, buyer or tenant representation agreement, memorandum, letter, or other writing stating for whom the licensee will act or has acted, signed by the party for whom the licensee will act or has acted in the commercial real estate transaction, the duration of the authorization and the amount of any compensation payable to the licensee.

Sec. 20-328-7a. Deposits.

(a) When a licensee receives a deposit or other moneys with respect to any transaction in which the licensee is engaged on behalf of the [real estate] broker with whom the licensee is affiliated, the licensee shall promptly pay over the deposit or other moneys to such [real estate] broker.

(b) Any [real estate] designated broker who, in the course of the [real estate] broker's real estate business and in connection with any transaction, accepts from any principal, client or other person any moneys, to which the [real estate] broker is not personally and legally entitled, including but not limited to any down payment, earnest money, deposit, rental money or other money to be held by the [real estate] broker in trust, shall deposit such moneys in an escrow or trust account in a bank doing business in the State of

Connecticut unless otherwise required by law.

Sec. 20-328-8a. Commissions and compensation.

(a) No licensee shall demand compensation unless reasonable cause for payment of compensation exists.

(b) When an owner, lessor, prospective buyer or lessee wrongfully fails or is unable to consummate a transaction, the broker has no right to any portion of the money, if any, deposited with the broker, even though compensation may have been earned.

(c) While engaging in the real estate business, a licensee shall not accept any commission, rebate, or profit on expenditures made for the licensee's principal, without the knowledge and consent of the licensee's principal.

(d) A licensee shall not accept compensation from more than one party in a real estate transaction without notifying all parties to the transaction prior to the closing.

(e) No licensee shall offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's commission or compensation arising or accruing from any real estate transaction to any person who is engaging in the real estate business and who was not licensed as a [real estate] broker or [real estate salesman] salesperson at the time the [real estate] broker or [real estate salesman] salesperson performed the acts or rendered the services for which the licensee offers, promises, allows, gives, pays or rebates such commission or compensation.

(f) If a licensee receives or is awarded any compensation with respect to any transaction in which the licensee is engaged on behalf of the [real estate] broker with whom the licensee is affiliated, the licensee shall promptly pay over or assign such compensation to such [real estate] broker.

(g) In a cooperative real estate transaction, a [real estate] broker shall compensate the cooperating [real estate] broker and shall not compensate nor offer to compensate, directly or indirectly, any of the [real estate salesmen] salespersons or brokers employed by or affiliated with the cooperating broker without the prior express knowledge and consent of the cooperating [real estate] broker.

(h) An out-of-state real estate licensee may receive compensation in accordance with section 20-325l of the Connecticut General Statutes, as amended.

Sec. 20-328-9a. Interference with agency or contract relationship.

(a) A licensee shall not engage in any practice or take any action which interferes with the agency relationship of another licensee.

(b) No licensee shall induce or attempt to induce any party to a contract of sale or lease of real property to breach or terminate such contract for the purpose of substituting in lieu thereof a new contract with another principal of the licensee.

(c) No licensee shall induce or attempt to induce an owner or a lessor of property to breach or terminate an exclusive right to sell or lease listing or an exclusive agency to sell or lease listing for the purpose of substituting in lieu thereof a new listing contract. No licensee shall induce or attempt to induce a prospective buyer or lessee to breach or terminate an exclusive representation agency agreement for the purpose of substituting a new exclusive representation agency agreement in lieu thereof.

Sec. 20-328-10a. [Brokers and salesmen] Termination of brokers and salespersons.

(a) Upon termination of a licensee's employment or affiliation with a [real estate] broker, a licensee shall immediately turn over to such broker any and all information and records obtained during the licensee's employment or affiliation, whether such information or records were originally given by the licensee's broker or copied from the records of such employing broker or acquired by the licensee during the licensee's employment or affiliation with the [real estate]broker.

(b) Upon the termination of the employment or affiliation of a licensee with a [real estate] broker, the [real estate] broker shall give the licensee, within ten days of the date on which the licensee turns over to the [real estate] broker any and all information and records in accordance with this section, or within forty-five days of said termination, whichever is earlier, a written accounting setting forth all active listing agreements, agency agreements, transactions, commissions and compensation in which the licensee was involved. The accounting required by this subsection shall also include a statement of the commission or compensation, if any, which the [real estate] broker intends to pay the [salesman] salesperson on account of the active listings, agency agreements, transactions, commissions and compensation in which the licensee was involved.

Sec. 3. The Regulations of Connecticut State Agencies are amended by adding sections 20-328-10b to 20-328-18a, inclusive, as follows:

(NEW) Sec. 20-328-10b. Mandatory Continuing Education Courses.

(a) Real estate licensees shall be required to complete one continuing education course designated as a mandatory course by the real estate commission. If multiple continuing education courses are approved by the real estate commission to satisfy the mandatory course requirement, a real estate licensee may choose one of the approved courses to satisfy this requirement.

(b) The continuing education course hours for a completed mandatory course shall be counted toward the total number of continuing education hours completed by a licensee.

(NEW) Sec. 20-328-11a. Course offerings and locations.

(a) Approval of real estate courses. Approved pre-licensure courses shall not be held on the premises of a real estate brokerage office, real estate franchise or appraiser's office.

(1) Each school seeking approval of its pre-licensure real estate broker's courses shall offer to the general public at least the three courses required to meet the minimum broker's qualification. These shall include, but not be limited to the following:

(A) Real estate principles and practices course consisting of not less than sixty classroom hours of study, which shall include, but not be limited to the following subject matter:

- (i) Real estate law;
- (ii) Brokerage;
- (iii) Connecticut real estate licensing laws and regulations;
- (iv) Equal opportunity in housing;
- (v) Real estate valuation;

- (vi) Financing;
 - (vii) Specialized fields of real estate practice;
 - (viii) Development;
 - (ix) Land use regulations;
 - (x) Taxation;
 - (xi) Market analysis; and
 - (xii) The real estate business;
 - (B) Real estate appraisal I, as set forth in section 20-328-13a of the Regulations of State Agencies, entitled residential real estate appraisal, consisting of at least thirty classroom hours of study; and
 - (C) A related real estate course consisting of at least thirty classroom hours of study approved by the commission.
- (b) Continuing Education Course Approval.
- (1) A continuing education course shall consist of current real estate licensing laws and practices that are broad-based and essential to the role of a real estate licensee. The course shall contain instruction on real estate principles and practices set forth in chapter 392 of the Connecticut General Statutes and the regulations promulgated thereunder and any new laws or industry practices essential to engaging in the practice of real estate.
 - (2) The department shall not approve offerings in mechanical office and business skills such as typing, speed-reading, memory development, personal motivation, salesmanship, sales psychology, nor sales promotions or other meetings held in conjunction with the general business of a salesperson's broker. Generally acceptable courses may include, but shall not be limited to:
 - (A) Fair Housing Laws;
 - (B) Ethics;
 - (C) Finance;
 - (D) Appraisal;
 - (E) Management;
 - (F) Planning and Zoning;
 - (G) Securities and Syndications;
 - (H) Investment Analysis;
 - (I) Common Interest Ownership;
 - (J) Interstate Land Sales;
 - (K) Taxes and Liens;
 - (L) Title Closing;
 - (M) Real Estate Documents; and
 - (N) Real Estate Math.
 - (3) Courses completed prior to certification by the commission may not qualify for continuing education hours.
 - (4) Continuing education hours shall not be approved more than once for completing the same course within each two-year continuing education period.
- (c) Mandatory Continuing Education Course Approval
- (1) Prior to the next continuing education period, the real estate commission shall approve continuing education courses that satisfy the mandatory course requirement of section 20-328-10b of the Regulations of State Agencies.

(2) In order to satisfy the mandatory course requirement, a continuing education course shall consist of no less than three classroom hours and cover the following topics:

(A) statutes and regulations governing the real estate transactions in the State of Connecticut;

(B) statutes and regulations governing the licensing of real estate licensees in the State of Connecticut; and

(C) statutes and regulations governing fair housing in the State of Connecticut.

(3) The commission may, in its discretion, identify further requirements that a continuing education course shall satisfy to receive approval as a mandatory course. If the commission elects to add such requirements, the commission shall publish such requirements on the department's internet website, six months prior to the next continuing education period.

(4) A school shall not offer a course to satisfy the mandatory course requirement unless the commission has reviewed the proposed course and approved it.

(5) A school shall submit an application for approval of a course to satisfy the mandatory course to the commission no later than four months prior to the next continuing education period to be eligible for consideration.

(5) If a school fails to submit a proposed mandatory course by the deadline detailed in this section, the commission may, in its discretion, waive the deadline.

(NEW) Sec. 20-328-12a. Equivalent continuing education experience and study.

(a) Courses approved by the Commission pursuant to sections 20-328-11a, 20-328-13a, or 20-328-14a of the Regulations of Connecticut State Agencies may be deemed equivalent for purposes of continuing educational study.

(b) Any other continuing educational courses taken by the licensee shall be considered by the commission on an individual basis. Evidence of such courses shall be submitted by the licensee to the department ninety-days prior to the end of each two year continuing education period.

(c) Instructing an approved continuing education course or courses taught pursuant to sections 20-328-11a, 20-328-13a, or 20-328-14a of the Regulations of Connecticut State Agencies shall be deemed equivalent for purposes of continuing educational experience. Continuing education credit for such instruction shall not be accepted by the Commission if the course is less than three hours in duration. Continuing education hours shall not be approved more than once for instructing the same course within each two-year continuing education period.

(NEW) Sec. 20-328-13a. Appraisal I course.

(a) The real estate appraisal I course, required in section 20-328-11a-1(a)(1)(B) of the Regulations of Connecticut State Agencies, shall consist of a minimum of thirty hours of classroom instruction and shall include, but not be limited to, the following subject matter:

(1) nature of appraisals and appraising;

(2) nature and principles of real estate value;

(3) the appraisal framework;

(4) region, neighborhood and site analysis;

(5) improvements analysis;

- (6) site valuation;
- (7) direct sales comparison;
- (8) gross rent multiplier analysis;
- (9) cost analysis;
- (10) correlation and final value estimate;
- (11) appraisal report writing; and
- (12) professional ethics and standards of practice for appraisers.

Such course shall be titled “residential real estate appraisal.”

(b) The real estate appraisal II course, entitled income-producing real estate appraisal, shall consist of a minimum of thirty hours of classroom instruction and shall include, but not be limited to, the following subject matter:

- (1) income capitalization approach;
- (2) income expectancy;
- (3) relationship of income and value;
- (4) analysis of market evidence;
- (5) direct capitalization;
- (6) mathematics of finance and compound interest tables;
- (7) lease interests;
- (8) mortgage equity capitalization;
- (9) internal rate of return;
- (10) discounting procedures;
- (11) cash flow analysis; and
- (12) ethics and professional standards.

(NEW) Sec. 20-328-14a. Related courses.

All related courses required in section 20-328-11a(a)(1)(C) of the Regulations of Connecticut State Agencies seeking approval shall consist of a minimum of thirty hours of classroom instruction and include, but not be limited to the fundamentals expected to be obtained from such course. Said course content shall be approved on an individual basis.

(NEW) Sec. 20- 328-15a. Advertising guidelines for real estate schools.

All schools advertising approved courses shall comply with the following guidelines:

(a) All advertising and notices shall be truthful and disclose all significant facts, which significant facts would mislead the public if concealed;

(b) Advertisers and their agents shall be willing to provide substantiation of claims made,

(c) All advertising and public notices shall be free of statements, illustrations or implications which do not enhance the dignity and integrity of the real estate profession,

(d) All facilities offering services shall refrain from attacking competitors unfairly or disparaging their services or methods of operations,

(e) All advertising and written or oral statements shall avoid the use of exaggerated or unprovable claims and misrepresentations. In discussing the student's possible or potential economic future in the field of real estate only reasonable claims may be made,

(f) No unfounded guarantee shall be offered. All notices shall clearly and conspicuously disclose the full nature of services offered,

(g) False or misleading claims as to tuition and other course costs shall be clearly avoided,

(h) Material containing testimonials shall be clearly limited to those individuals reflecting their own personal experiences, and

(i) In any advertising all schools are to refrain from using the wording "Approved by the Commission." The following wording may be used by an actively registered real estate school for a course that has been approved by the department: "This course meets the minimum requirements as set forth by the Commission."

(NEW) Sec. 20-328-16a. Affidavit or Certificate Requirements.

No affidavit or certificate of successful completion of an approved course of study in real estate shall be issued to any student unless said student shall have first attended a minimum of thirty hours of classroom instruction, except in the case of principles and practice, where attendance shall be a minimum of sixty hours, and shall have achieved a passing numerical grade of at least 70% on a final examination. Each school shall issue an affidavit to the student in such form as may be adopted by the school attesting to the required minimum attendance, dates of attendance, school code and final numerical grade for the course. Said affidavit is to be signed by an authorized official of the school.

(NEW) Sec. 20-328-17a. Records.

(a) All schools, institutions or organizations conducting approved courses shall keep and retain complete records of student attendance, grades, and evidence of course completion in electronic format for a period of at least three years after the completion of each course and such records shall be produced electronically for inspection by the department upon request. Upon satisfactory completion of any approved course, a certificate, as prescribed by the commission, will be furnished by the school, institution, or organization to the student.

(b) Following the three-year period of record retention the burden of proof of completion of each approved course shall be upon the licensee.

(NEW) Sec. 20-328-18a. Commission visits.

The commission and the department may, without prior notice, visit the school and observe the instruction given to ensure proper standards as to method and content of any approved courses.

Sec. 4. Sections 20-314a-1 through 20-314a-11, inclusive, of the Regulations of Connecticut State Agencies are repealed.

Sec. 5. Sections 20-319-1 through 20-319-9, inclusive, of the Regulations of Connecticut State Agencies are repealed.

Sec. 6. Section 20-327b-1 of the Regulations of Connecticut State Agencies is repealed.

Statement of Purpose

To clarify requirements related to real estate licensing rules as modified by Public Act 23-84. Specifically these regulations clarify the rules regarding: (1) disclosure requirements for real estate licensees dealing with unrepresented persons; (2) leasing agents; and (3) continuing education schools and courses. These regulations also consolidate the real estate licensing regulations reducing the number of separate regulatory sections from five to three.