



CONNECTICUT REALTORS®

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Statement on

S.B. 756: AN ACT REQUIRING A STATE-WIDE STANDARDIZED CONTRACT FORM FOR THE SALE OF RESIDENTIAL REAL PROPERTY.

OPPOSED

Submitted to the Insurance and Real Estate Committee
February 19, 2015

By Michael Barbaro
Connecticut REALTORS®

Good afternoon Senator Crisco, Representative Megna, ranking members Sampson and Kelly and members of the committee. My name is Michael Barbaro and I own a real estate company based in New Haven. I am a REALTOR® and the current President of the New Haven Middlesex Association of REALTORS® which represents over 2,700 real estate licensees in the Greater New Haven area.

I am here today to speak in opposition to ***SB 756, AN ACT REQUIRING A STATE-WIDE STANDARDIZED CONTRACT FORM FOR THE SALE OF RESIDENTIAL REAL PROPERTY.***

Connecticut REALTORS® believe to require the Commissioner of Consumer Protection to prescribe the form of a standardized contract to be used state-wide for the sale of residential real property in the state is not a business friendly action. We highly oppose this concept.

One standard form will not work in Connecticut due to the diversity of issues and the market in the various regions in the state. Real estate transactions do not have the same customs across the State. For example, in Greenwich, properties have contracts issued with the contingencies. No earnest money and/or binders are used until after such time as inspections and research on the property is completed by the prospective buyer. Once those inspections and due diligence are completed, contracts are drawn and funds are exchanged. The attorneys handle all escrow.

Meanwhile in towns like Manchester an offer for purchase is commonly submitted along with a nominal first deposit made payable to one of the Brokers involved in the transaction.

Once the offer is accepted by the seller the offer is an enforceable purchase and sale agreement. The buyer arranges any home inspections they listed as contingencies in the offer. The buyer also submits a second deposit made payable to that same Broker in the amount that totals the full escrow amount agreed to in the offer.

Thus, the requiring of a uniform purchase and sale agreement will confuse buyers and sellers because transaction practices vary so widely across the state. There will be additional disputes and concerns about earnest money. Firms would have to manage earnest money, whereas now some do not as the attorneys manage it as dictated by the contract. To conclude, we strongly urge you to oppose this proposal.

Connecticut REALTORS® represents over 15,000 members involved in all aspects of real estate in Connecticut. For this reason, the Connecticut REALTORS® ask for you to oppose this bill.

Thank you for allowing me to testify before the committee today, I will do my best to answer any of the questions you may have.