



CONNECTICUT REALTORS®

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**Statement on**

**HB 7178**

**AN ACT CONCERNING DISCLOSURES BY  
REAL ESTATE BROKERS AND SALESPERSONS**

**SUPPORT**

February 27, 2019

By  
Connecticut REALTORS®

Connecticut REALTORS® (CTR) submits testimony in **SUPPORT** of **HB 7178, AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS AND SALESPERSONS**. CTR represents over 17,000 members involved in all aspects of real estate in Connecticut.

This legislation would allow for residential real estate licensees to follow the same disclosure requirements commercial real estate licensees are currently observing. In 2017, PA 17-169 was passed. Under this act, disclosures in commercial real estate transactions are made before a prospective purchaser or lessee signs the purchase contract or lease. CTR respectfully requests this ability be made available for residential real estate licensees.

CTR believes today's real estate transactions occur much differently than when these disclosures rules were originally outlined. In decades past, customers physically drove to real estate firms to discuss properties to view and the real estate licensee would sign an agreement with a buyer having actually met that person. In modern transactions, many buyers search the internet long before they contact a real estate licensee for information about a specific home they wish to view or discuss.

The long standing interpretation as to when an agreement must be signed is first meaningful contact. A tremendous number of buyers are quite skeptical about entering into a legal agreement, even for a short period of time, especially shortly after that initial introduction takes place. Under the current rule, when a customer refuses to sign an agreement, the licensee will have no choice but to not answer questions about a particular property OR show a property. This, in turn, creates dissatisfaction and frustration on behalf of the customer and then results in the licensee's loss of that customer.

This proposed revision would allow for a real estate licensee to perform services such as answering questions and showing a property before entering into a signed legal agreement to provide client representation. The revision would require the agreement must be in place prior to the time the buyer makes an offer to purchase a property. Note that a real estate broker cannot provide client services and receive payment without a written agreement stating the terms of payment, so there remains a business purpose for formal agreements to be executed with the buyer as soon as possible.

This proposal reflects the reality of a modernized buyer and transaction. It is responsive to the public, especially to Internet buyers, who insist they not be bound by legal agreements until ready to do so; and who insist they not be bound by legal agreements to an individual they just met.

CTR also requests removal of requiring regulation on this section. CTR has discussed this point with the Department of Consumer Protection and they concur on this matter.

For these reasons, CTR requests your support of **HB 7178, AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS AND SALESPERSONS**. I thank you very much for your time and attention to this important matter.