

TABLE OF CONTENTS

Fees Charged by Real Estate Brokers and Salesmen

Definitions.	20-325c- 1
Scope of regulations	20-325c- 2
Written agreement	20-325c- 3
Fee, commission, consideration	20-325c- 4
Itemized invoice required.	20-325c- 5

Fees Charged by Real Estate Brokers and Salesmen

Sec. 20-325c-1. Definitions

As used in Sections 1 to 5, inclusive, of these regulations:

(a) “Buyer” means any buyer of residential real property.

(b) “Broker” means any real estate broker or real estate salesman as defined in section 20-311 of the Connecticut General Statutes and any person affiliated with such real estate broker or salesman.

(Effective May 17, 1990)

Sec. 20-325c-2. Scope of regulations

Any fee, commission or other valuable consideration received by a broker for negotiating, soliciting, arranging, placing or finding a first mortgage loan for a buyer of residential real property, which is in addition to the consideration received by such broker for the sale of such property, shall be in accordance with these regulations.

(Effective May 17, 1990)

Sec. 20-325c-3. Written agreement

Prior to the accrual of any charges for mortgage brokering services performed by a broker on behalf of a buyer, the broker and buyer shall execute a written agreement. The terms of the agreement, in addition to any disclosures required by law, shall include, but not be limited to, the amount, term and type of first mortgage loan that the buyer seeks to obtain, the maximum rate of interest and number of points that a buyer would pay, an approximate loan closing date, the hourly rate upon which the fee, commission, or other valuable consideration to be received by a broker is based and a description of the manner in which any such fee, commission or other valuable consideration will be determined. The agreement shall specify that a buyer who finds a loan without the assistance of the broker or who does not consummate the purchase of the property will not be obligated to pay any consideration to the broker. Amendments to the agreement shall be in writing and signed by the parties.

(Effective May 17, 1990)

Sec. 20-325c-4. Fee, commission, consideration

Any fee, commission or other valuable consideration received by a broker for assisting a buyer in obtaining a first mortgage loan shall be based on a reasonable hourly rate. An hourly rate may accrue for any bona fide activity performed by the broker when negotiating, soliciting, arranging, placing or finding a first mortgage loan for a buyer, including, but not limited to, the time spent with the buyer discussing financing options, completing applications, negotiating with prospective lenders, and performing underwriting activities.

(Effective May 17, 1990)

Sec. 20-325c-5. Itemized invoice required

The broker shall maintain a written record of the amount of time spent in negotiating, soliciting, arranging, placing or finding a first mortgage loan for a buyer. In addition, prior to the receipt of any fee, commission or other valuable consideration, the broker shall provide the buyer with an itemized invoice of the services rendered, which shall include the hourly rate and the number of hours or fractions thereof spent on each service. A copy of the invoice and written record shall be maintained by the broker for a period of two years from the date of the invoice.

(Effective May 17, 1990)