



Questions and Answers On the New Statutes Effective April 1, 2024

For the DCP Summary of New Statutes, [click here](#)

Prospective Party and Unrepresented Person Questions

1. What is the difference between a Prospective Party and an Unrepresented Person?

A “prospective party” is defined in statute as “any person that communicates with a real estate licensee in contemplation of potential representation by the real estate licensee in a real estate transaction.” An unrepresented person has been made aware of their right to be represented by a licensee and decided not to be represented in a transaction. The terms “not represented” and “unrepresented” have been used interchangeably in statute and regulations.

2. Does the statute reference any real estate licensee obligations related to disclosures to unrepresented persons?

Yes, a real estate licensee representing a party in a transaction must disclose in writing the identity of their client to an unrepresented person when the identity request is made by that unrepresented person. The request from the unrepresented person does not need to be in writing.

3. If both parties have representation is there a duty to disclose the identity if requested?

No, the requirement for the identity disclosure only applies when there is an unrepresented person on one side of the potential transaction and a represented person on the other side of the transaction.

4. Is the licensee representing a client in a potential transaction required to use a specific form to provide the written disclosure of the client's identity to the unrepresented person?

No, written disclosure may be accomplished by text, email, or other written manner. A form is not needed. Neither DCP or CTR are creating a form or template for that disclosure.

5. Is the licensee required to provide an Unrepresented Person form to an Unrepresented Person?

Yes. The Unrepresented Person form is set forth in regulation. Licensees should continue to use the Unrepresented Persons form, which may be [found here](#).

6. Is there a new requirement related to the use of disclosures at Open Houses?

No, the long-standing requirements related to Open Houses continue to make it clear that a licensee must conspicuously disclose the licensee's agency relationship by sign, poster, pamphlet, or similar means to visitors at an open house to be compliant. When there is the start of a discussion about the specific needs of a visitor towards a transaction, then agency disclosures such as the Prospective Parties form are immediately necessary.

Associate Broker Questions

1. If a licensee with a broker's license wants to advertise using the title Associate Broker, must they register with DCP as an Associate Broker?

Answer: Yes.

2. If a licensee with a broker's license is affiliated with another broker and does not have broker duties at such broker's firm, must they register with DCP as an Associate Broker?

Answer: No, provided they are not advertising themselves to the public as an "Associate Broker".

3. If a licensee with a broker's license does not want to advertise as an Associate Broker, but they don't have broker duties at the firm, must they register with DCP as an Associate Broker?

Answer: No.

4. Is Associate Broker a separate license?

Answer: No, it is a registration option for someone holding a broker's license.

5. What is the cost?

Answer: \$25.

6. Is the fee one-time or annual?

Answer: One time.

7. Can someone who has registered as an Associate Broker operate as a broker in conjunction with their broker's license at the same time?

Answer: No, the Associate Broker indicates the licensee is not acting as a broker for any firm.

8. What if I later decide I want to act as a broker under my broker's license?

Answer: You would pay the \$25 fee and change your registration back to broker.

9. Why would a licensee want to register as an Associate Broker?

Answer: a) to advertise using that title; b) the licensee may have signed an independent contractor indicating he/she would not separately conduct business under that same license; c) to clarify they are acting as a salesperson within the firm, though otherwise holding a broker's license; and/or d) to validate their status which may be necessary for the company's E&O policy and/or for risk reduction reasons.

10. Can I be an Associate Broker with a salesperson's license?

Answer: No, it's only related to those who hold broker's licenses.

11. I have a broker's license and I am both affiliated with one firm, and conducting business separately with another firm under my broker's license, can I be an Associate Broker?

Answer: No, it's used when your broker's license is exclusive to your agreement with another broker where you are not acting as a broker for that firm.

Retaining Electronic Records Question

1. What is the date for when I need to have my records retained electronically?

Answer: As of April 1, 2024. You are not required to go back to earlier times to make those electronic too.

Open House Question

1. Does the prospective parties disclosure need to be provided to everyone at Open Houses?

Answer: No, the definition of prospective party in statute says, "any person that communicates with a real estate licensee in contemplation of potential representation by the real estate licensee in a real estate transaction." A person attending an open house isn't included in the definition until there's a conversation contemplating potential representation by the real estate licensee.

Reminder, you continue to need to follow the regulations related to open houses as they relate to posting your agency relationship and when you need to provide a written disclosure:

(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 licensee, by sign, poster, pamphlet or other similar means, conspicuously discloses the 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.

Attendees at an Open House are viewing a property that is open to the public for viewing and generally not having discussions with the host of the open house about their specific needs in a transaction. If specific needs conversations begin, then applicable written disclosures are required at the beginning of the meeting.

Custodial Broker Question

1. How does the custodial broker application work?

Answer: The statute explains the application is "made by the executor of the estate or any other person who is legally authorized to act on behalf of such broker in a financial transaction." DCP is creating the application form to be used for such appointment. The applicant identifies a prospective broker from among Connecticut real estate brokers and includes that name on the application to DCP for approval of appointment.