

## REGULATIONS CONCERNING MORTGAGE BROKERAGE 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 and (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.

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 in addition to the consideration received by such broker for the sale of such property, shall be in accordance with these regulations.

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 agreement, in addition to any disclosures required by law, shall include but not be limited to, the amount, term and type of the 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 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.

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.

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 spend 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.