



Fact Sheet: Real Estate Guaranty Fund

One of the most disappointing experiences for any prospective property owner is losing money on a real estate transaction that was not conducted fairly or properly due to misrepresentation, fraud or other deceptive trade practice. Even more frustrating is going to court, receiving a judgment in your favor against the respondent, and then discovering that judgment is virtually worthless because the broker or salesperson has no assets or cannot be located.

The Department of Consumer Protection offers some relief for consumers through the **REAL ESTATE GUARANTY FUND**. This is a pool of money created by annual assessments of licensed brokers and salespersons which can be used to help satisfy eligible aggrieved petitioners.

YOU MAY BE ELIGIBLE FOR UP TO \$25,000 FROM THE REAL ESTATE GUARANTY FUND, IF THE FOLLOWING CRITERIA ARE MET:

(1) You must make application to the Real Estate Commission within two years from:

- (a) the final determination of, or
- (b) expiration of time for appeal in connection with any judgment.

(2) Application may be made against the real estate broker or real estate salesperson, or the unlicensed employee of the licensed broker or salesperson for the following reasons:

- (a) embezzlement of money or property, or
- (b) money or property unlawfully obtained from any person by false pretenses, artifice, trickery or forgery, or
- (c) by reason of any fraud, misrepresentation or deceit.

(3) You must attach a certified copy of the court judgment. If you are eligible, the Fund reimburses for the actual amount specified, up to \$25,000, in connection with any one real estate transaction or claim depending upon the judgment issued by the court.

You may only recover actual damages. Court costs and attorneys' fees may only be recovered if they are specified in your court judgment.

(4) You must have attempted to collect the money owed you by means of a sheriff's writ of execution and have been unsuccessful in that attempt.

YOU SHOULD KNOW THAT...

In order to preserve the integrity of the Fund, the commission reserves the right to direct payment from the Fund in an amount less than was awarded in your judgment. If this is necessary, the commission may order that you be paid the balance when funds are available.

If you believe your case meets the eligibility criteria, complete the application and file it with the Department or contact the Real Estate Enforcement Unit for more information at 860-713-6150.

The application is available on our website at:
<http://www.ct.gov/dcp/lib/dcp/pdf/forms/application-regf.pdf>