

## ***Buying a new car? Signing up with a health club or dating service? Replacing your roof or looking to pre-buy heating oil?***

If so, you'll most likely be asked to sign a contract. Some contracts are thick and imposing; others are a single sheet of paper. Whether they're called "Service Agreements" or "Buyer's Agreements," you, the buyer, need to read and understand them before you sign.

Each year, some consumers are shocked to learn that by signing a seemingly innocent piece of paper, they've made a binding legal agreement that costs more than they expected, or that doesn't meet their needs. They learn the hard way that once they sign on the bottom line, they are legally obligated to fulfill the terms of the contract, for the length of the contract.

### **Don't be rushed into a contract!**

- Sign only when you're ready, not when you feel "pressured."
- Shop around and ask questions.
- Take the time to read and fully understand all parts of any contract or written agreement before signing.
- If you still have questions or concerns, seek legal advice.

Connecticut law makes specific provisions for certain contracts. Here are some things to watch for in everyday consumer contracts.

## **Home Improvement**

Your contract and any subsequent changes must be in writing. The contract is not valid unless it contains all the following information, and is entered into by a Connecticut-registered contractor and/or salesperson. The contract must:

- include the contractor's name, address, and Connecticut Home Improvement registration number;
- include the date of the transaction, plus both a start and end date for the work;
- be signed by both you and the contractor or registered salesperson; and
- include notice of the Buyer's Right to Cancel within 3 Business Days (Saturday is a legal business day in Connecticut.)

## **New or Used Vehicles**

Typically, a written lease or purchase contract for a vehicle is fully legal and binding from the time you sign the document. **There is no automatic 3-day Right to Cancel.** Be sure you understand all the terms and conditions before you sign!

## **Dating Services**

A dating service contract must be in writing and include the date of the transaction, the name and address of the seller, and a 3-day Right to Cancel notice. It must inform you of the specific cancellation procedures and be signed by both parties. If you opt to cancel within three days, any money you paid on the contract must be refunded to you within ten business days after the seller receives your cancellation.

## **New Home Construction**

There is **no** 3-day Right of Cancellation on new home construction. Before signing a new home construction contract with a builder, make sure you get a copy of his / her Connecticut New Home Construction registration certificate. Before signing a contract with you, the contractor must, in writing:

- advise you to ask him or her for a list of the last 12 homeowners for whom he has built a home in the last two years. If there haven't been twelve built, ask for a list of owners of all the new homes he has completed in the past two years;
- recommend that you contact several of these homeowners to ask about the quality and timeliness of his work;
- tell you that you can contact the Department of Consumer Protection to verify his or her registration and to check for any complaints;
- inform you that you can ask about his or her customer service policy and advise you to ask for the name of his company's customer service representative; and
- notify you to ask whether he or she will hold you harmless for work performed by any subcontractor on your property.

The new home contract must also tell you that you could be contacted by other prospective customers in the future, asking about the quality and timeliness of your contractor's work. If you don't wish to be contacted, tell your contractor in writing.

## **Health Club**

Your membership agreement must be in writing and:

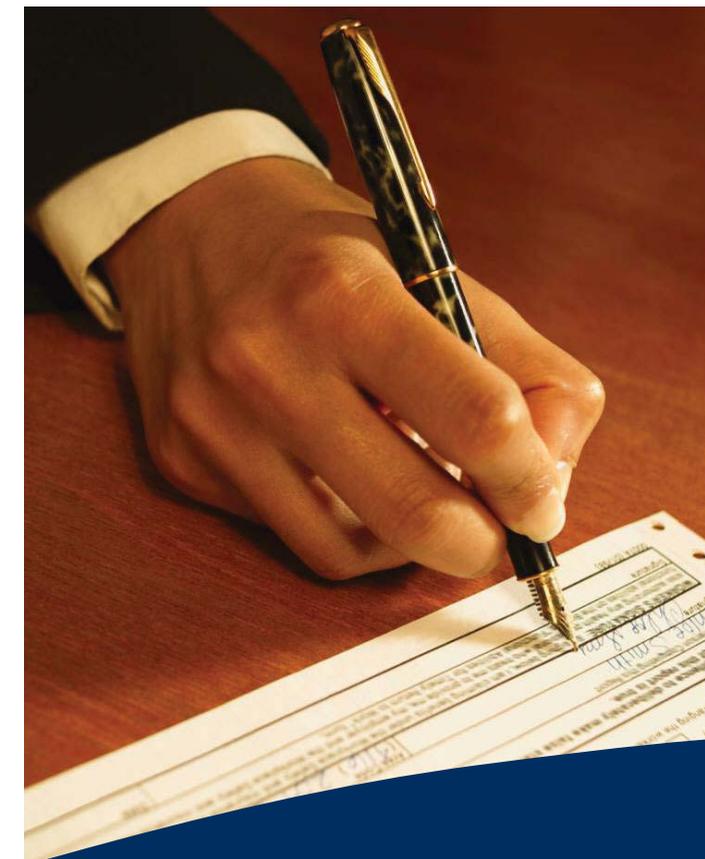
- include notice of your right to cancel within 3 business days and inform you of the proper cancellation procedures;
- tell you of your right to cancel if the club moves or closes down;
- notify you of your right to a pro-rated refund if you move more than 25 miles from the club or if you become disabled and provide proper medical documentation; and
- include a list of all contract prices and equipment.

No health club contract may last longer than 24 months and no more than one-half of the contract fee can be collected in advance. Contracts cannot include an automatic renewal clause, except for a period up to one month. The price of this renewal cannot increase or decrease unless the contract states the amount of the price change or how it was calculated.

### **The 3-Day Right to Cancel Applies to...**

Home Improvement  
Dating Services  
Health Clubs  
Diet Programs

## About Consumer Contracts in Connecticut



### Home Heating Fuel

Heating oil and propane fuel dealers offer price protection via “fixed price” or “cap price” contracts, pre-buy programs, or budget plans.

Before signing any agreement, ask for the company’s Connecticut Home Heating Oil and Propane Dealer registration number and contact the Department of Consumer Protection to confirm the registration and learn about any complaints against the company.

Heating fuel contracts must:

- be in writing, signed and dated by you and the dealer; and
- have clear terms and conditions.

In addition, pre-buy contracts must:

- not last longer than 18 months;
- indicate the amount you have paid the dealer under the contract;
- indicate the maximum number of gallons committed by the dealer for delivery to you under the contract;
- include the contract start and end date;
- state default terms; and
- include a statement indicating that the dealer has fulfilled one of two options to ensure that enough fuel is available for all of his price protection contracts. \*

Unless otherwise specified in writing, your contract must also state that you are to be reimbursed at the contracted per gallon rate, no later than 30 days after the end of the contract for any prepaid, undelivered fuel.



### Real Estate

All written real estate agreements and contracts are fully legal and binding from the time you sign; there is **no** 3-day Right to Cancel. Be sure you understand and agree to everything in any contract or agreement that you sign – even a seller’s listing agreement or a buyer’s representation agreement. If you wish to dispute the terms after the agreement has been signed, your only recourse may be civil court.

Your signature indicates that you have read, understood, and accepted all the terms within the document. Be sure to get a signed and dated copy of any agreement that you sign; you are entitled to receive it at the time of signing.

Most terms and conditions in any agreement are completely negotiable before the documents are signed. For example, you may negotiate a lower commission rate with a potential sales broker; there is no such thing as a fixed rate. You may also negotiate a shorter or longer buyer representation agreement with a potential agent.

Before any documents are signed, either party can, and should walk away from an agreement that they are not happy with. Once you sign your name to any agreement or contract, you are legally bound to uphold the provisions of that contract.

*\*Fuel dealers offering pre-paid contracts must demonstrate on request that they have pre-purchased 80% of the fuel that they pre-sell to consumers, or have obtained a bond against 50% of their sales.*

### Diet Programs

A contract for a diet and/or weight reduction program must be in writing, include the date of the transaction, the name and address of the seller, and notice of your 3-day Right to Cancel. It must be signed by both parties and inform you of the required cancellation procedures. The contract must also:

- give an estimate of how long you need to stay on the diet program in order to reach your desired weight;
- provide an estimate of all costs, including the contract price and monthly costs for any goods or services that you must buy under the contract;
- offer a list of the Connecticut–licensed health professionals who can monitor you during the diet program; and
- tell you that you may cancel the contract if:
  - a) you provide a letter from your doctor indicating that the diet is unhealthy for you, or
  - b) if you move more than 25 miles from any facility that you’re required to attend under the diet program.

If you cancel your contract for either of these reasons, you are entitled to pro-rated reimbursement for any pre-paid portion of your contract that was not used.

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[www.ct.gov/dcp](http://www.ct.gov/dcp)

STATE OF CONNECTICUT  
Department of Consumer Protection