



Consumer Watch

A Monthly Newsletter from the Connecticut Department of Consumer Protection

William M. Rubenstein, Commissioner

Dannel P. Malloy, Governor

www.ct.gov/dcp

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Suggested Links

www.ct.gov/dcp

Our website offers the latest and most comprehensive information that we have on dozens of consumer-related topics!

<https://www.elicense.ct.gov>

To verify a license, permit or registration, or to run a roster of licensees. Also, the place for online renewal!

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Be Informed Before You Bid

Handle Online Auctions with Care

Internet auction sites such as eBid, eBay! and Webstore.com can be viewed as virtual flea markets, offering new and used merchandise from across the globe, often at bargain prices. But online auctions can be risky if you're not careful and knowledgeable. Each year, more than 36,000 consumers across the country file online auction complaints -- about late shipments, no shipments, or products that aren't as advertised. Bogus online payment schemes also cause consumer woes, as do dealers who lure bidders away from legitimate auctions with fraudulent offers.

Because internet auction sites specialize in person-to-person activity, where individual sellers or small businesses sell directly to shoppers, the auction site itself does not usually take responsibility for problems that arise between buyers and sellers. So, it pays to be well-informed before wading in to unknown waters!

Whether you plan to buy or sell, before using an auction site, read the site's Terms of Use and review any information that you can about the website itself to see if users are mainly satisfied with the site.

Before you bid:

- Don't assume that the rules of one auction site apply to another. If a site offers a step by step tutorial for new users, take it.
- Find out what protections the auction site provides. Some sites offer free insurance or guarantees for non-delivered items, or items that are not what the seller claimed.

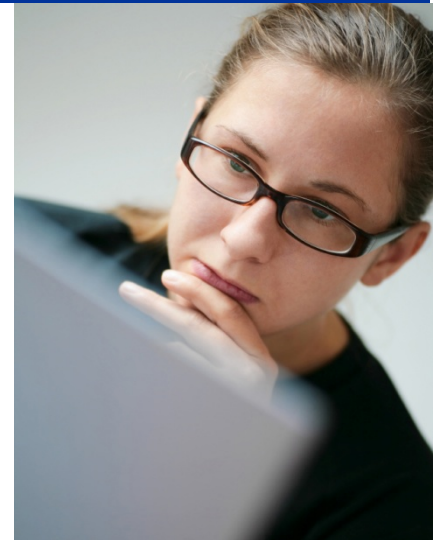
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From Commissioner Rubenstein

Last year about this time, residents of Connecticut were reeling from the first of two strong storms that brought power outages, downed trees, and significant property damage. Many important changes were subsequently implemented at state and municipal levels, as well as within the companies that provide our power and other utilities on which we depend. But storm readiness starts at home, so please take a look at page 4 to be sure you've got some key contacts in place in case of a weather emergency. Property foreclosure is certainly a different type of "emergency," and persons who rent their homes can find themselves in the midst of an uncertain living situation. State laws offer protection to such tenants, to provide stability and ensure fairness. The article on page 2 highlights some key protections. Finally, if the urge to seek unusual keepsakes or significant bargains has you exploring the world of online auctions, the tips starting on this page may save you some effort and expense. Enjoy!



William M. Rubenstein



Tenants in Foreclosed Properties Have Several Legal Protections



While Connecticut's overall housing market is showing signs of improvement, foreclosures are still taking place. If you are a tenant, you should know that if your apartment building goes through foreclosure you have legal protections that safeguard you from unfair treatment and upheaval.

The federal **Protecting Tenants at Foreclosure Act of 2009**, as clarified by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires that most tenants occupying a rental at the time a property title is transferred between owners due to foreclosure cannot be required to vacate their apartments for at least 90 days after the title is transferred, **or** until the end of their lease, whichever is later. This even applies to leases that were entered into while foreclosure action was pending. Tenants must receive notice of the foreclosure and their rights to stay before any post-foreclosure eviction may be brought in court.

Tenants not protected by this law include the mortgagor and his/her child, parent, or spouse; tenants with leases that were not the result of arms-length transactions; and tenants who pay substantially below market rent (other than subsidized rents).

The new owner of a foreclosed property is also subject to the terms of any existing Section 8 lease and Housing Assistance Payments ("HAP") contract between the prior owner and the public housing authority. If a tenant in a foreclosed property is a Section 8 tenant, the new owner must assume that HAP Contract.

The **Connecticut Identification of Landlord Law** (CGS §47a-6) requires that once ownership changes, the tenant must be given written notice of the name and address of the property manager, i.e. the person in charge of making repairs.

By definition, anyone that acquires a property by foreclosure is a **landlord**, and must therefore comply with the duties of landlords as defined in State law (CGS section 47a-7), including making repairs and doing what is necessary to keep the premises in a fit and habitable condition; keeping common areas of the premises clean and safe; maintaining electrical, plumbing, sanitary, heating, ventilating and other facilities in good and safe working order; providing and maintaining appropriate receptacles for the removal of ashes, garbage, rubbish and other waste and arranging for their removal; and supplying running water and reasonable amounts of hot water.

An agent managing a foreclosed property has the same maintenance responsibility as someone managing any other rental property. The new owners must assume liability for utilities if the prior owner paid utilities under a prior rental agreement, or when utilities are not individually-metered for the tenants' exclusive use.

The **Connecticut Cash for Keys Law** (CGS §47a-20f, as amended by Section 3 of Public Act 10-181) requires that if money will be offered to tenants to persuade them to move following a foreclosure, the payment must be double the total of the security deposit and unpaid interest, *or* two months' rent, *or* \$2,000 – whichever is greater.

Under the **Connecticut Security Deposit Act** – CGS §47a-21(e) -- when a tenant moves out following a foreclosure, whoever owns the property at that time must return the security deposit to the tenant, even if that security deposit had been paid to the previous property owner and never transferred to the new owner. **It is not true** that tenants must reclaim their security deposits from their former landlord. The Act also specifies how quickly a security deposit must be returned, the amount of interest to be paid on security deposits, requirements for security deposit escrow, and penalties.

The **Connecticut Just Cause Eviction Law** (CGS §47a-23c), applies to buildings with five or more dwelling units. Under this law, occupants who are at least 62 years old or are physically disabled cannot be required to move without "cause." Change of ownership, including a change resulting from foreclosure, does not constitute "cause."

New owners of foreclosed properties and their agents – whether they are property managers or real estate brokers -- are responsible for assuring compliance with all laws so that tenants are given the right to stay in their homes for as long as the law requires after foreclosure.

Online Auctions, continued

- Know exactly what you're bidding on. Read the seller's description and carefully review the photographs if any are posted. Check the fine print, looking for words like "refurbished," "new in box," "discontinued," or "off-brand." Especially when shopping for computers, electronic equipment and similar products, you want to be sure of the compatibility and condition of the items.
- Be skeptical if a posted reserve or "buy now" price sounds too low to be realistic. Check out price comparison websites and online stores for a reality check on any item's worth.
- Don't do business with sellers you can't identify, especially anyone who tries to lure you away from the auction site with promises of a better deal. Many scammers trawl auction sites for easy prey.
- Before doing business with a seller, ask for and get the seller's street address and telephone number. Call the number to confirm that it is legitimate.
- Many sites post seller feedback ratings based on comments from other buyers. Review these, but know that while some comments and ratings are probably genuine, sellers sometimes post positive comments about themselves to build their reputation. Look for the length of time a seller has been on the auction site, and how many successful transactions they have had.
- Check shipping and delivery details. Sellers usually specify shipping costs and offer an express delivery option at additional cost. If you have any questions, check with the seller before you bid.
- Ask about the seller's return policy. Can you return the item for a full refund if you're not satisfied? Will you be required to pay a restocking fee? Sometimes the return policy is included in the listing, but other times you will need to contact the seller directly to ask. Get the terms in writing before you buy.
- Be clear on the type of payment the seller accepts before you bid. If only cashier's checks or money orders are accepted, you must decide if you're willing to risk sending full payment before you receive the merchandise. If the seller will take a credit card, you want to be doubly sure they are a legitimate, well-regarded seller before disclosing your credit card information. However, credit card companies do offer the benefit of getting a "chargeback" if the product isn't delivered or isn't what was ordered.
- Avoid sellers who insist on wire transfers as the only acceptable means of payment. You stand to lose your payment without any recourse if something goes wrong. Many auction sites do not allow wire transfers.
- If a seller insists on a particular escrow or online payment service that you've never heard of, check it out. Visit its website or do an online search and see if it has received complaints or favorable comments from users. Avoid any payment site that is generally poorly constructed with misspelled words, faulty English, or claims of a government affiliation.

True or False?

I'm going to get help acquiring my patient registration certificate for medical marijuana from a company that's associated with the Department of Consumer Protection and is advertising its services to patients like me.

True or False?

Answer, page 4

- Finally, before you bid, set your top price in your mind and stick to it. Never bid on an item you don't intend to buy. If you win the auction, you're obligated to follow through with the transaction or risk being barred from the auction site.

If you're the highest bidder:

- Print and save all transaction records, including the seller's identification, item description, time, date and price of your bids. Keep every email that you send or receive from the auction site and the seller.
- When it's time to pay up, be careful to protect your identity. Never provide a social security number or driver's license number to a seller, and don't provide your credit card number or bank account information until you have thoroughly checked out the seller and are sure of their legitimacy.

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Online Auctions, continued

- If you choose to use PayPal or another online payment service, make sure you read the service's terms of agreement and are familiar with their privacy policies and security measures. Find out whether it offers any protections to buyers. Never disclose financial or personal information unless you know why it's needed and how it will be used and safeguarded. Consider limiting your exposure by reserving a separate credit card or pre-paid card just for online transactions, and keep your balances small.

Online auctions can be fun, exciting and rewarding. As long as you play it safe, you can enjoy this new form of bargain hunting. If you have problems with a transaction, your first step is to try to work it out directly with the seller or site operator. If that doesn't work, please file your complaint with the Federal Trade Commission at www.ftc.gov.



What's in Your Emergency Toolbox?

The storms buffeting the islands and the southeastern U.S. remind us to prepare our home emergency plans for the possibility of bad weather -- whether it's a tropical storm in September or a snowstorm in November. Knowing who to call and trust after a major weather event can save you time, money, and peace of mind. NOW is the best time to research, verify, and store some key business contacts in a couple of convenient locations in your house and car.

Put These in Your Home "Toolbox"

Locksmith - Find one in your area with a real street address – not just a phone number, PO box or website. Many fly-by-night companies rely on business from frantic, last-minute internet searches. These companies may be here today, gone tomorrow. Now is the time – before you're locked out of your car or home -- to track down a reputable locksmith and make sure he or she is registered with the Department of Consumer Protection. Store that name and number in few safe places, including your cell phone!

Plumber - If you don't have a regular plumber, talk to friends and family about who they've used, and whether they did a good job at a fair price. Did they clean up afterwards? There are many plumbing license types; each is qualified for a different type of work. Review the license types and scope of work for various licensees. Then, check references and choose the individual you feel comfortable with.

Electrician – Ask for references from people you trust, set up interviews, and choose a business to work with. Different license types are qualified for different types of electrical work. Generally someone with an E-1 license is qualified to do all types of electrical work around your home, but you can review license types and scope of work for electrical licensees.

Home Improvement Contractor(s) - Talk to people, get names of reliable, skilled contractors, and carefully check references. Speak with your local building inspector, especially to learn who you should avoid. Remember to verify that your contractors are registered with the Department of Consumer Protection!

You can verify all the above licenses and registrations online at <https://www.elicense.ct.gov>.

Tree Service / Arborist - If a tree falls on your property and needs to be completely removed, a registered home improvement contractor can do the removal. But in order to treat a tree with broken limbs -- a tree you want to save -- you need the services of a licensed arborist. The Department of Energy and Environmental Protection licenses arborists, so be sure that anyone you choose is properly licensed and insured by calling that Department at (860) 424-3000.

True or False? Answer

The answer is False. The Department of Consumer Protection is not working with any outside businesses in connection with the patient/caregiver registration process, nor has it shared information about that process with anyone, beyond what is on its web page, www.ct.gov/dcp/mmp.

The Department's goal is to design a registration system that is easy to understand and that requires no outside help in order to register. The only information the Department will require will be information that you, your physician or your caregiver should have.

For updates on the Medical Marijuana Program, continue to visit its web page at ct.gov/dcp/mmp.