



Consumer Watch

A Monthly Newsletter from the Connecticut Department of Consumer Protection

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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!

www.smartconsumer.ct.gov

Basic information to protect yourself and avoid scams!

<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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Thinking About a Condo? Things to Consider

Most folks know that the Department of Consumer Protection regulates the real estate profession in Connecticut and is responsible for registering third-party condominium association managers. What is less known is that we **do not** regulate condominiums, nor do we adjudicate condominium complaints. But we frequently get questions from condo owners who are frustrated about some aspect of their ownership, so we offer this brief summary with the hope that prospective buyers can fully understand the trade-offs before they buy. This article should not be construed as legal advice regarding any particular circumstance; if you need legal advice, please consult an attorney.



Before you buy

Before you sign on the dotted line to buy a condo, be sure you understand the advantages and disadvantages of this lifestyle, and become acutely familiar with the condo community you plan to join. Each community has its own unique character, and it's up to the buyer to find the community that best matches his or her expectations.

There are trade-offs to bear in mind when buying a condo that often don't apply to single-family home ownership. Condos offer peace of mind, the security of living among others, less maintenance responsibility, on-site recreational facilities and amenities, and the benefits of living in a "close-knit" community.

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With improvements in the economy, real estate is starting to move again. Homebuyers have been returning to the market this year, as sales of single family homes across Connecticut rose about 10% last quarter while sales of condominiums jumped by more than 17% statewide. Our September issue offers some tips for persons thinking about buying their first condo. We hope to shed some light on areas that some consumers have found problematic, so that new buyers go into the deal with open eyes and reasonable expectations. Speaking of problems, finding information on every recall that may affect your vehicles is going to become easier soon, as new rules will allow you to search by VIN number right from the manufacturer's website. Page 3 provides a short summary of considerations that every cost-conscious consumer should make before getting into a "rent to own" contract for furniture, electronics and appliances. For those following the progress of the Medical Marijuana Program, we also offer an update, as developments continue to rapidly accrue.

Enjoy!



William M. Rubenstein

Bill Rubenstein

Carmakers Must Make Recall Notices More Noticeable

If you've ever tried to chase down recall information for your vehicle, you should know that federal safety regulators are trying to make the process a little simpler. Up until now, the whole process of finding out about a recall is kind of haphazard. While consumers may spot recall notices in the news and online, it's not always easy to know if their particular car is covered, since many recalls involve only certain manufacture dates and locations. Recall notices sent by manufacturers are sometimes overlooked or accidentally discarded.

SaferCar.gov, the website of the National Highway Traffic Safety Administration (NHTSA) generally provides the definitive answer, but not everyone remembers this resource. To improve access and simplify the search process, beginning in January 2014, SaferCar.gov will allow consumers to search for recalls using their car's Vehicle Identification Number (VIN). In addition, automakers will be required to link their product website to the NHTSA website, so consumers can jump to SaferCar.gov directly from the manufacturer's site.

Manufacturers will be required to mark recall notices mailed to vehicle owners with "URGENT SAFETY RECALL" in the hope of grabbing owners' attention and prompting them to take action on the recall.

This multi-pronged approach is designed to help consumers learn and act quickly to address recalls that can affect the safety, longevity and comfort of their vehicles.

Condos, continued from page 1

On the other hand, you may share walls, floors and/or ceilings with neighbors; your condominium association may have rules, priorities and values that don't perfectly match your own; and you may not as easily be able to resolve conflicts when they arise. It's important to know the rules – written and social – before making your purchase.

In a condominium, units are separately owned but "common areas" are owned by all unit owners as tenants. Sometimes, units may have limited common elements for exclusive use by each owner.

Issues prospective condo buyers should consider

There are many resources that offer prospective condo buyers tips and advice before they buy. Here are some examples things you should think about and do:

- Make sure that condo living is for you. In condo living, you give up certain rights in order to gain others. Are you comfortable with that? For example, the purchase of your unit may be subject to condo association approval. Likewise, when you want to sell, your sale may be subject to approval by others.
- Find a reputable and licensed real estate agent who knows and understands condos. They may have insights that can make the difference between finding the right and wrong community living opportunity for you.
- Read any condo documents carefully and be sure that the condo you've selected matches your lifestyle
 - Does the condo complex cater to a particular age group?
 - Is it family friendly?
 - Is it a haven for pet owners? Does it prohibit pet ownership?
- Review the condo association's financial documents carefully
 - How much does the association have in reserves?
 - Are all condo owners meeting their payment obligations?
 - How much has the association budgeted to spend?
- Speak with your potential future neighbors
 - Ask them what they don't like about living in their complex. What do they wish were different? What are their biggest complaints?
 - Ask how long it takes to get repairs. Are there any repairs that take a particularly long time? What do they wish were updated, improved, replaced or fixed?



True or False?

When a nice young fellow offered to clean my chimney at no cost and found a cracked liner, he offered to replace it right away for less than half what my neighbor paid. He's offering me a bargain that I shouldn't pass up!

True or False? Answer, page 4

Update on the Medical Marijuana Program

On August 27th, the Regulation for the Palliative Use of Marijuana was approved by the Regulations Review Committee and became law. The Department has since issued “Requests for Applications” for persons and companies interested in becoming either a producer or a dispensary of medical marijuana. The due date for applications is November 15th.

Initially, the Department plans to award between three and five dispensary facility licenses. Preferred locations are Fairfield County, Hartford County, New Haven County, Litchfield County and New London County. The Department reserves the right to award more than five dispensary facility licenses in the future if it concludes that additional dispensary facilities would better serve registered patients.

The Department plans to award three producer licenses. As with dispensary facilities, the Department reserves the right to award more than three if it concludes that additional producers are desirable.

Both the producer and the dispensary facility licenses will be awarded on a competitive basis based on the RFA responses.

More information is available on the Medical Marijuana Program website, www.ct.gov/dcp/mmp.

Rent-to-Own? Not-so-Fast!

Buying from a rent-to-own store can sound great. Often these stores promise **no** credit checks, **no** cash down and **easy** monthly payments. The best part is, you can take the merchandise today. Yes, it sounds wonderful, but there’s a catch – you’ll end up paying more for the merchandise; usually a lot more.

Rent-to-own stores offer furniture, TVs, computers and appliances. You may also find rent-to-own services at kiosks in a regular department store.



How it works:

- You find a sofa that you like at the store.
- You sign a Rental Purchase Agreement, promising to make weekly or monthly payments.
- The store delivers “your” sofa.

The catch:

- Until you finish all the payments, the store owns the sofa.
- The total cost is likely to be two to four times the normal price.
- If you miss a payment, the store can take back the sofa.
 - You’ll then lose the money you’ve paid, plus you’ll lose the sofa.

If you decide to get into a rent-to-own agreement, be sure to check whether the item is new or used. If it is used, be sure to get a discount on the total price. Your payments should also reflect that lower price.

Some stores want to issue instead a “used-goods discount” in the form of fewer payments at the end of the agreement. This can be risky because if you miss a payment (or two) and the item gets repossessed, you will lose not only the item, but also the full value of the discount. In other words, you lose the item before you can enjoy the “cancelled” payments.

Before you go rent-to-own, be sure the **cash** price is fair. Compare it to prices at other stores. (The cash price at a rent-to-own store is usually higher.) Finally, do the math and decide if the **total** cost seems fair. To do this, multiply the amount of each payment by the number of payments. To that total, add all the fees and taxes. This is the total cost to you. It will probably be higher than you expect!

Before signing, **read the Rental Purchase Agreement**. Make sure it clearly describes the item, whether it is new or used, its model number and its serial number if it is an item that usually has those numbers (such as a TV or a computer).

- Take the agreement home, filled out but not signed. Study it carefully and talk it over with family or friends.
- Compare the cost to other options – other stores, layaway, or saving up the money.
- Look at your budget. Can you really make every payment for as long as it takes?

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Condos, continued from page 2

- o Ask current residents whether condo association meetings are held regularly and are they posted properly. What's attendance like? Do they attend? Do they feel like their association represents their interests?

What to ask your agent or attorney

Among many other matters, you will want to know how old the complex is, how often units are on the market and how long do they take to sell, whether there are age restrictions, has there been an assessment to homeowners, are there any outstanding debts from homeowners not paying fees, how much does the association have in reserve, what items are listed in the budget, have there been any foreclosures, what are rules on renting and selling a unit, and what are the owners' rights to occupy the unit.



Other ways to prepare for condominium ownership

- There are many great books and online resources to help teach you about your options. It's worth investing time up-front to ensure you make the right decision for you.
- Select a real estate lawyer with substantial condo transaction experience to represent you.
- When you find a community you may want to join, ask your agent or attorney to get for you a copy of the Association By-Laws, Declaration, Association rules and regulations, recent budget, and minutes from meetings held over the last 12 months. Go over these documents with an attorney. Ask the attorney to interpret these documents and to explain them to you.
- Meet with the Association President and Board Members. Ask to attend a Board Meeting.
- Review [Frequently Asked Questions about Condominiums](#) on our website. This new section includes references to the law, advice about purchasing, and samples of actual consumer complaints and solutions.

Rent-to-Own, continued from page 3

The Agreement must:

- Tell you the cash price, the total cost, and the effective annual percentage (interest) rate. It should also list all possible fees and charges. (Sometimes there's a general surcharge of 10 percent, for example.) If there is a charge, what does it cover?
- Tell you when payments are due and what notice you'll get if a late fee is to be charged.
- Say when they have the right to repossess and how much notice you'd get.
- Tell you whether and how you could get the item back after it has been repossessed.
- Make clear the store's responsibility for service or repairs.

Don't sign unless you're satisfied! If you do sign the Agreement, make sure you get a copy before you leave the store.

If there's a problem after you have the item at home
If you're going to have trouble making a payment, talk with the store manager. Ask if they will adjust your payments.

If you think the store has violated the agreement or mistreated you, talk with the store manager. If that doesn't solve the problem, file a complaint with the Department of Consumer Protection at dcp.frauds@www.ct.gov. You may also call our office at 1-800-842-2649.

True or False? (from page 3)

ANSWER:

The answer is False. Most likely the chimney cleaner is part of a team that goes around neighborhoods looking for unsuspecting homeowners who they can fleece into buying unnecessary chimney repair. It's a good idea to get your chimney cleaned each year by a reputable company that you research and call on your own. If repairs are needed to your chimney, research the job, get bids from registered contractors, and get a signed and dated contract for the work. You have three days to cancel after you sign.