



Dear Stewart Partners,

This week's newsletter focuses on developments from the 2026 Connecticut legislative session that may impact real estate and title insurance professionals, including recently enacted laws affecting housing programs, landlord-tenant practices, real estate licensing, and property marketing requirements, as well as several noteworthy proposals that did not become law.

We also feature an underwriting article from Maine State Counsel Zachary Greenfield examining the risks and limitations of municipal "no-action" letters in Maine, and why underwriters should carefully evaluate their effectiveness when addressing zoning and land use violations.

In addition, we share details on Stewart's participation in the upcoming CREW Network Convention, highlight an upcoming educational program on communicating the value of title insurance and Homeowner's coverage to consumers, and provide information on the latest ConnectClose updates. We hope these insights help you stay informed, identify emerging risks, and continue delivering exceptional service to your clients.



2026 Connecticut Real Estate Legislative Session Summary By:
Frank Cammarano, Underwriting Counsel

The 2026 Legislative Session of the Connecticut General Assembly officially concluded on May 6, 2026. One of the most significant actions this session was the passage of Connecticut's fiscal year 2027 budget adjustments. Senate Bill 1 includes the revised fiscal year 27 budget of \$28.6 billion which focuses on affordability, education funding, tax relief, workforce development, and state response to federal funding changes. On the final day of the session, the General Assembly also passed Senate Bill 477, which included technical corrections and adjustments related to the state budget. However, beyond the budget bills, the session did not produce many new laws or changes to existing laws related to the real estate and title insurance industries.

Included in this summary is a list of bills that have been signed by Governor Lamont related to the real estate and title insurance industries in Connecticut, along with any notable proposals that did not advance this session. Each bill listed contains a link to the corresponding bill page of the Connecticut General Assembly for further information. Should you have any questions or wish to discuss any specific policy matters in greater detail, please contact the [Stewart Title Connecticut Agency Team](#).

[Bills That Did Pass](#)

[Senate Bill 1](#) (budget bill), AN ACT MAKING ADJUSTMENTS TO THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027, MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2026, AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND CONCERNING PROVISIONS RELATING TO REVENUE, SCHOOL CONSTRUCTION AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET.

CHFA Down Payment Assistance Program — Expanded Bond Authorization (§309)

The bill allows CHFA to use an existing bond authorization to capitalize its Down Payment Assistance Program (DAP), a use not permitted under current law. DAP provides subordinate mortgage loans to eligible first-time homebuyers for down payment and closing cost assistance. Previously, the existing bond authorization could only be used for CHFA's Emergency Mortgage Assistance Program (EMAP), which provides emergency mortgage or lien assistance to eligible homeowners experiencing financial hardship.

Landlord-Tenant Fee Restrictions Extended to Third-Party Agents (§59) Connecticut law currently prohibits landlords from requiring prospective or departing tenants to pay fees, charges, or payments for reviewing, processing, or accepting a rental application, or other payments before or at the start of tenancy, with certain exceptions. It also prohibits landlords from charging move-in or move-out fees, and caps the fee for a tenant screening report at \$50 with associated disclosure requirements. The bill extends all of these same requirements and prohibitions to third parties acting on behalf of landlords or the state.

[Senate Bill 340](#) AN ACT CONCERNING CONTINUING REAL ESTATE EDUCATION REQUIREMENTS, PUBLIC MARKETING OF CERTAIN REAL ESTATE LISTINGS AND REVISING THE TITLE OF A REAL ESTATE SALESPERSON TO A REAL ESTATE AGENT.

Effective October 1, 2026, the bill modifies the continuing education requirements for real estate license renewals under CGS § 20-319, restructuring the fee schedule for licensees who fail to complete continuing education on time, establishing a \$315 fee for those who cure the deficiency within two months after license expiration and a \$625 fee for those who cure between two and four months after expiration.

Also effective October 1, 2026, the act creates a new public marketing mandate under a newly enacted section (Section 32) requiring real estate brokers and agents representing sellers or landlords to make residential property available on a fair, nondiscriminatory, and publicly accessible listing platform concurrently with or prior to the first instance of any public marketing; this requirement can be satisfied through a multiple listing service, a publicly accessible internet listing platform, or a comparable electronic platform with unrestricted public access, though sellers and landlords may opt out of public marketing by executing a specific written form that includes required disclosures about the potential financial consequences of that decision.

Effective January 1, 2027, the act comprehensively replaces the statutory title "real estate salesperson" or "salesperson" with "real estate agent" or "agent" throughout dozens of provisions in the Connecticut General Statutes governing licensing, supervision, liability, continuing education, residential condition disclosure reports, leasing agent restrictions, commercial real estate transactions, and various other regulatory requirements, with no

substantive change to the underlying rights or obligations associated with that licensee category.

Bills That Did Not Pass

House Bill 5266 AN ACT ADOPTING THE UNIFORM REAL PROPERTY TRANSFER ON DEATH ACT.

The act would have created a new mechanism allowing an individual to transfer an interest in real property located in Connecticut to one or more designated beneficiaries upon the transferor's death through a revocable transfer on death deed, without requiring probate.

Senate Bill 485 AN ACT EXPANDING THE ADDRESS CONFIDENTIALITY PROGRAM TO SHIELD LAND RECORDS AND INCLUDE PRIVATE ENTITIES.

The bill sought to create a new real property address confidentiality program notice process that allows program participants who acquire an ownership interest in real property to request that the town clerk of the relevant municipality shield their real property records, including land records and tax assessor records, from public inspection by removing them to a secure area inaccessible to persons without a legitimate reason for access. Once shielded, the participant's name and address in those records would not be disclosed except upon written consent of the participant, at the request of a law enforcement agency, pursuant to a court order, or upon authorization by the Secretary of the State for a bona fide title examination.

Senate Bill 256 AN ACT CONCERNING THE PURCHASE OF RESIDENTIAL PROPERTY BY PRIVATE EQUITY ENTITIES.

The bill would have restricted private equity entities from purchasing or acquiring, or offering to purchase or acquire, any interest in a single-family or two-family residence in Connecticut unless the property has first been listed for sale to the general public for at least 90 days.



No-Action Letters; Are they worth the paper they're written on?

By: Zachary Greenfield, Esq., Maine State Counsel

Consider the following scenario: Your office is working on a purchase transaction for a property improved with a house and garage. The title search revealed no unusual issues. You have ordered the mortgage payoff and are close to your clear-to-close. You are now just waiting for the mortgage loan inspection plan from the surveyor. It arrives a few days before the scheduled closing and reveals that the garage is only six feet away from sideline of the property, whereas the current zoning ordinance in the subject town requires a ten-foot side yard setback. You confirm that the house is not grandfathered. In other words, the current zoning ordinance was in effect when the house was built. You immediately notify the parties, and panic ensues. Later that day, the seller's agent sends you a "no-action" letter from the town's code enforcement officer (CEO). It reads as follows:

The town is aware that garage located at 123 Main Street is located six-feet from the sideline of the property instead of ten-feet as required by the Zoning Ordinance. The town hereby agrees that it will not take any enforcement action regarding this violation.

You then reach out to your underwriter to discuss options.

First and foremost, at least in Maine, in almost all cases, underwriters consider no-action letters to be legally unenforceable. This is primarily because they are “ultra-vires” acts, which is Latin for “beyond the powers.” Under the typical municipal structure, the CEO’s primary powers are to investigate code compliance, grant permits, and prosecute enforcement actions for code violations. They are not authorized to approve deviations from the standards set forth in the municipality’s zoning ordinance. Instead, a section of Maine’s municipal statute, 30-A M.R.S. § 4353, requires any municipality that adopts a zoning ordinance to also create a zoning board of appeals (ZBA), and expressly grant to that board the power to grant variances. Except in very unusual circumstances, that power is only in the ZBA, and is not in the CEO, town council, town manager, mayor, or anyone else. For this reason, most no-action letters have a technical defect in that the issuer lacked the authority to bind the municipality to its promise not to bring an enforcement action regarding a zoning ordinance violation.

An argument often raised by proponents of no-action letters is that even if the CEO lacked the legal authority to bind the municipality to the promise set forth in the letter, the municipality should still be bound by that promise if someone relies on it (including by issuing a title insurance policy without exception for the violation). That argument is based on the concept of “estoppel,” which is a valid defense to certain claims made in lawsuits when one party reasonably relied to their detriment on the promise of another. Unfortunately, in Maine, courts have held that estoppel is not a valid defense against the government when the promise made by the government was made by a person who lacked the authority to bind the municipality to that promise.

Although we normally consider no-action letters unenforceable for the foregoing reasons, that does not mean that they are without value. In fact, if the nature of the zoning violation is relatively modest (such as a four-foot encroachment into a setback), and we are not concerned about an abutter forcing the issue, no-action letters can often allow us to approve the issuance of an owner’s policy with an exception for the violation, but also with affirmative coverage against loss caused by the municipality’s unlikely enforcement of the violation. We may even be able to approve the issuance of a loan policy without exception for the violation. This all depends on the facts of the particular case, including what kind of policy is being issued (standard vs. enhanced). If your underwriter simply can’t assume the risk due to the facts of the case, all hope is not lost. The seller may be able to obtain a variance from the ZBA or a consent decree from a court, and thereby fully resolve the issue. A future article will discuss how those processes work.



Stewart Out and About – CREW Convention 2026

Gary Bernier, Stewart’s New England District Manager, and Monica Barrera, one of Stewart’s Connecticut Agency Sales Representatives, will be attending the annual CREW Network Convention from September 23, 2026 through September 25, 2026 in Miami Beach, Florida. Monica is one of the CREW Connecticut chapter delegates, and 10 members of the Connecticut CREW chapter will be attending. For more information, please

visit the CREW convention website here: <https://crewnetwork.org/events/2026/crew-network-convention>



Upcoming Education

Selling the Value of Title Insurance on **September 23, 2026 at 11 AM**

Join Jamie Spaulding, Esq. and Brian Goudas, Esq. for a discussion on selling the value of title insurance to prospective purchasers, including the advantages of the Homeowner's (Expanded) Policy.

This offering has been approved for credit in CT, ME, NH, RI and VT.

To register, follow this link: [Registration Link - The Value of Title Insurance](#)



In Case You Missed It

ConnectClose Newsletter

Connect Close is Stewart's proprietary software designed exclusively for New England based agents and is currently available to agents in Connecticut, Massachusetts, Maine, New Hampshire and Rhode Island. To keep users up-to-date with new features, monthly ConnectClose newsletters are now being distributed. In case you missed the most recent issue, follow this [link](#) to download. If you aren't receiving the newsletter, reach out to your Stewart Account Representative to make sure you are on the distribution list.

If you want more information on [ConnectClose](#), contact your Stewart Account Representative.



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