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For Immediate Release

AARP, Land Title Associations Applaud Colorado on Passage of NTRAPS Bill

Washington, D.C., March 27, 2023 – AARP, AARP Colorado, the American Land Title Association (ALTA) and the Land Title Association of Colorado (LTAC) applaud the Colorado legislature for passing Senate Bill 77, which will protect homeowners from the predatory practice of filing of unfair real estate fee agreements in property records, known as Non-Title Record Agreements for Personal Service (NTRAPS).

“NTRAPS are a predatory practice, and the Colorado legislature has put an end to these schemes that impact homeowners’ ability to sell or finance property,” said ALTA Vice President of Government Affairs Elizabeth Blosser.

“Our homes are often the most important investment we will make, and this legislation is an important safeguard to better ensure our investment is protected,” said AARP Colorado State Director Sara Schueneman.

NTRAPS have been recorded in property records since 2018. The practice preys upon homeowners, offering small cash incentives in exchange for decades-long contracts for the exclusive rights to sell the property. Submitting NTRAPS for inclusion in property records characterized as liens, covenants, encumbrances or security interests in exchange for money creates impediments and increases the cost and complexity of transferring or financing real estate in the future.

Senate Bill 77 follows the objective of similar bills introduced across the country to provide a remedy for existing NTRAPS while also discouraging these types of unfair practices impacting homeowners.

“This bill came into fruition thanks to the collaborative efforts of many of our industry partners, including the Colorado Association of Realtors, and we are pleased the state legislature has recognized that this abusive and anti-consumer activity has no place in Colorado,” said LTAC President Leo Hebert.

The new law will:

- Make NTRAPS unenforceable against property.
- Restrict the recording of NTRAPS in property records.

ALTA and AARP have promoted model legislation to address NTRAPS nationally. “The Colorado bill follows the advocacy efforts we have undertaken in collaboration with ALTA in other states, and we expect—and are hoping—to support similar legislative solutions in other states to protect homeowners from predatory housing practices,” AARP Government Affairs Director Samar Jha said.

Senate Bill 77 will head to Colorado Gov. Jared Polis’ desk in the coming days, and once signed will go into effect 90 days following the final adjournment of the 2023 General Assembly. Colorado is the

second state to pass NTRAPS legislation this year. Similar bills have also passed in Utah and most recently North Dakota.

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About ALTA

The [American Land Title Association](#), founded in 1907, is a national trade association representing more than 6,500 title insurance companies, title and settlement agents, independent abstracters, title searchers and real estate attorneys. ALTA members conduct title searches, examinations, closings and issue title insurance that protects real property owners and mortgage lenders against losses from defects in titles.