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For Immediate Release

ALTA, AARP Applaud Tennessee for Passage of NTRAPS Bill

Washington, D.C., April 6, 2023 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, alongside AARP, the Tennessee Land Title Association (TNLTA) and AARP Tennessee applaud the Tennessee legislature for passing Senate Bill 368, the Real Property Records Integrity Act, 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).

Tennessee follows the objective of a model bill, which ALTA helped draft with input from national stakeholders. The model bill created a blueprint for states wishing to provide a remedy for existing NTRAPS while also discouraging future unfair and deceptive practices. Senate Bill 368 is the most protective legislation in the United States as provisions were included to create a \$10,000 penalty per violation.

“The property rights of American homebuyers must be protected,” said ALTA Vice President of Government Affairs Elizabeth Blosser. “A home often is a consumer’s largest investment, and the best way to support the certainty of landownership is through public policy. We have to ensure that there are no unreasonable restraints on a homebuyer’s future ability to sell or refinance their property due to unwarranted transactional costs.”

“This follows our advocacy efforts we have undertaken in collaboration with ALTA in other states and we expect and hope to work on similar legislative solutions in other states in helping homeowners against such predatory housing practices,” said AARP Government Affairs Director Samar Jha.

NTRAPS have been recorded in property records since 2018. The practice preys upon homeowners, offering small cash gifts 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.

“Prior to passage of the bill, over 800 of these agreements had been filed across Tennessee and being treated as liens when there was no authority for the filing of these documents,” said Joseph Kirkland Jr., TNLTA past president and current co-chair of the TNLTA Legislative Committee. “This is a tremendous victory for the title insurance industry and consumers of Tennessee.”

“We applaud the Tennessee legislature for taking this essential step in helping Tennessee preserve property rights and curb this predatory housing practice,” said AARP Tennessee State Director Mia McNeil. “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.”

The new law will:

- Make NTRAPS unenforceable by law.
- Restrict and prohibit the recording of NTRAPS in property records.
- Create penalties if NTRAPS are recorded in property records.
- Provide for the removal of NTRAPS from property records and recovery of damages.

Senate Bill 368 will head to the desk of Tennessee Gov. Bill Lee shortly, and once signed will go into effect immediately.

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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.