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For Immediate Release

ALTA, AARP Applaud Iowa on Passage of NTRAPS Bill

Washington, D.C., May 18, 2023 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, alongside AARP, the Iowa Land Title Association (ILTA) and AARP Iowa applaud the Iowa legislature for passing House File (HF) 475, 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).

Iowa follows 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.

“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 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 are expecting and hoping 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 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.

“Thanks to this proactive, bipartisan legislation, Iowa now has protections in place to prevent predatory real estate service agreements from taking hold in Iowa,” said AARP Iowa State Director Brad Anderson. “AARP Iowa was pleased to join groups like ALTA and the Iowa Realtors Association in supporting this crucial legislation to help protect Iowa homebuyers from these misleading and unfair tactics.”

HF 475 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.

“The consumer protections contained in HF 475 are important for all Iowans,” said ILTA President Sally Hertel. “We appreciate the hard work of the Iowa Association of Realtors, Rep. Carter Nordman and Sen. Scott Webster in passing this legislation.”

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.

Iowa Governor Kim Reynolds signed HF 475 on April 28, and it will go into effect July 1, 2023.

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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.