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For Immediate Release

New South Carolina Law Will Protect Homebuyers from Predatory Contracts

WASHINGTON, D.C., June 3, 2024 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, AARP and the Palmetto Land Title Association (PLTA) applaud the South Carolina General Assembly for passing Senate Bill (S.) 881, which includes provisions protecting homeowners from the predatory practice of filing unfair real estate fee agreements in property records, known as Non-Title Recorded Agreements for Personal Services (NTRAPS). The new law will make NTRAPS unenforceable.

“The property rights of American homebuyers must be protected,” said ALTA Vice President of Government Affairs Elizabeth Blosser. “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.”

“The passage of S. 881 is a continuation of AARP’s advocacy efforts, undertaken in collaboration with ALTA in other states, to put an end to this harmful practice,” said AARP Government Affairs Director Samar Jha. “We look forward to working on similar legislative solutions in other states to help protect homeowners against this predatory real estate practice.”

S. 881 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.

"Palmetto Land Title Association proudly advocated for and supported this legislation, which protects South Carolinians from predatory housing practices that are an impediment to and increase costs of financing or transferring real estate," said PLTA President-Elect Dawn Watkins. "We appreciate the diligent work by the legislature and support of the governor to protect South Carolina consumers and the integrity of our property records."

“AARP South Carolina recognizes the need to protect both consumers and workers from unfair contractual practices that are exploitive and unreasonable,” said Nikki Hutchison, AARP South Carolina associate state director. “Our recent legislative win prohibits unfair service agreements in South Carolina that seek to impose unreasonable terms on property owners, often binding future property owners without their consent or create liens without proper notification.”

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.

South Carolina is the 27th state to pass similar legislation prohibiting unfair service agreements. South Carolina Gov. Henry McMaster signed the bill into law on May 20, 2024.

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About ALTA

The [American Land Title Association](#), founded in 1907, is a national trade association representing more than 6,000 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.