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For Immediate Release

ALTA, AARP Applaud the 30 State Legislatures that Have Passed Laws Protecting Homebuyers from Predatory Contracts

WASHINGTON, D.C., June 18, 2024 – In just the last two years, 30 states have passed legislation to protect 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).

NTRAPS is a little-known but growing type of real estate service agreement that preys upon homeowners, offering small, upfront cash payments in exchange for decades-long contracts—sometimes up to 40 years—for exclusive rights to sell the property, even after the homeowner has passed away. If the homeowners or their heirs sell the property using a different listing agent, they could be forced to pay a penalty far greater than the original cash payout, often up to 3 percent of the purchase price.

The following 30 states have passed legislation making NTRAPS unenforceable: Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Indiana, Kentucky, Louisiana, Maine, Maryland, Minnesota, Nebraska, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Utah, Virginia, Washington and West Virginia. In Hawaii and Illinois, bills are awaiting the governor’s signature.

“Enactment of this important consumer protection legislation in 30 states is a monumental win for safeguarding people’s property rights,” said ALTA Vice President of Government Affairs Elizabeth Blosser. “We applaud the bipartisan efforts of lawmakers championing homeownership by making clear these types of unfair agreements are unacceptable in their states. Hopefully, the swift action taken by lawmakers, along with state attorneys general, will be a strong deterrent to those looking to perpetuate similar schemes that strip hard-earned equity from people’s homes.”

Including NTRAPS in property records 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. Legislation passed across the country provides a remedy for ending existing NTRAPS while discouraging real estate companies from engaging in practices that take

advantage of unsuspecting, often older and lower-income homeowners.

“Older adults can be particularly vulnerable to unfair service agreements promising quick cash. The legislation passed in these states helps safeguard homeowners from deceptive practices and protects property rights,” said Jenn Jones, Vice President of Government Affairs, Financial Security & Livable Communities, AARP. “We look forward to advocating for legislative solutions in more states to protect homeowners from predatory housing practices.”

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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.

About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With a nationwide presence, AARP strengthens communities and advocates for what matters most to the more than 100 million Americans 50-plus and their families: health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org/about-aarp/, www.aarp.org/español or follow @AARP, @AARPenEspañol and @AARPadvocates on social media.