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For Immediate Release

New Kentucky Law Will Protect Homebuyers from Predatory Contracts

Washington, D.C., April 1, 2024 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, and AARP Kentucky applaud the Kentucky General Assembly for passing House Bill (HB) 88, 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). Sponsored by Rep. Michael Meredith (R-KY), 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. “A home often is a consumer’s largest investment, and the best way to support the certainty of land ownership 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.”

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.

“The passage of HB 88 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 expect and hope to work on similar legislative solutions in other states to help protect homeowners against such predatory housing practices.”

HB 88 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.

“Several real estate companies have been using a predatory business model to target seniors and financially insecure homeowners,” said Gary W. Adkins, volunteer state president of AARP Kentucky. “As a former prosecutor, unscrupulous players who intentionally engage in predatory business models targeting and misleading older consumers makes my blood boil. Invariably, older adults are targeted specifically, and therefore, need extra safeguards to be protected from such an unfair, deceptive, and abusive practice. I can only imagine that AARP’s Founder, Dr. Ethel Percy Andrus, felt the same sense of urgency and outrage when she found her retired colleague living in a chicken coop.”

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.

Kentucky Gov. Andy Beshear is expected to sign HB 88 into law in the coming weeks.

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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.