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**For Immediate Release**

## **New West Virginia Law Will Protect Homebuyers from Predatory Contracts**

**Washington, D.C., April 2, 2024** – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, and AARP West Virginia applaud the West Virginia Legislature for passing House Bill (HB) 5326, 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. “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 5326 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 5326 follows the objective of similar bills introduced across the country to provide a remedy for existing NTRAPS while discouraging these types of unfair practices impacting homeowners.

“I have been a Realtor since 1999, and I understand more than most that for many West Virginians, their home is their most important asset and the cornerstone of their financial stability,” said West Virginia State Delegate Patrick Lucas (R-Cabell).

“Since 2018, these unfair service agreements have been recorded in property records as covenants on the title to homes,” said AARP West Virginia State Director Gaylene Miller. “We applaud the West Virginia Legislature and Delegate Lucas for standing up for consumers to safeguard them against fraud, deception and unfair practices.”

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.

West Virginia Gov. Jim Justice signed HB 5326 on March 26, and it will take effect on June 6.

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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.