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For Immediate Release

New Arizona Law Will Protect Homebuyers from Predatory Contracts

WASHINGTON, D.C., April 4, 2024 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, AARP and the Land Title Association of Arizona (LTAA) applaud the Arizona State Legislature for passing Senate Bill (SB) 1218, 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 Sen. John Kavanagh (R-AZ), 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 SB 1218 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.”

SB 1218 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.

“With the passage of SB 1218, the Arizona State Legislature has proven its commitment to protecting homeowners from deceptive and predatory practices. With this legislation, Arizonans can rest assured that their largest financial investments – their homes – are not at risk to NTRAPS,” said LTAA President Elizabeth Ray. “The LTAA commends our lawmakers for their efforts and particularly applauds Sen. Kavanagh for his sponsorship of the bill.”

“For many Arizonans, their homes are the most important asset and their financial stability,” said Dana Marie Kennedy, AARP AZ State Director. “SB 1218 will provide Arizonans some peace of mind by protecting them from unfair service agreements. For a company to prey on unsuspecting homeowners in a way that locks them into a 40-year obligation is disgraceful. We applaud the Arizona Legislature and Governor Hobbs for taking action to protect vulnerable older adults from deceptive and abusive 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.

Arizona Gov. Katie Hobbs signed the bill into law on April 2.

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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.