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## **For Immediate Release**

### **ALTA, AARP, REALTORS Applaud Alabama on Passage of NTRAPS Bill**

**Washington, D.C., May 30, 2023** – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, alongside AARP, the Southeast Land Title Association (SLTA) and AARP Alabama applaud the Alabama legislature for passing Senate Bill (SB) 228, which will protect homeowners from the predatory practice of filing of unfair real estate fee agreements in property records, known as Non-Title Record Agreements for Personal Service (NTRAPS).

Alabama follows a model bill, which ALTA helped draft with input from AARP and national stakeholders. The model bill created a blueprint for states wishing to provide a remedy for existing NTRAPS while also discouraging future unfair and deceptive practices.

“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 landownership is through public policy. We have to ensure there are no unreasonable restraints on a homebuyer’s future ability to sell or refinance their property due to unwarranted transactional costs.”

“This follows our advocacy efforts we have undertaken in collaboration with ALTA in other states, and we are expecting and hoping to work on similar legislative solutions in other states in helping homeowners against such predatory housing practices,” said AARP Government Affairs Director Samar Jha.

“SB 228 is a huge win for Alabama’s homeowners and real estate industry,” said Alabama REALTORS CEO Jeremy Walker. “We are proud, along with the Southeast Land Title Association, to see SB 228 come to fruition and safeguard the integrity of our state’s real estate market against potentially burdensome and misleading business practices.”

NTRAPS have been recorded in property records since 2018. The practice preys upon homeowners, offering small cash incentives 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.

SB 228 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.

“The Southeast Land Title Association applauds the passage of SB 228 protecting Alabama homeowners against harmful unfair service agreements. In collaboration with the Alabama Association of Realtors, we commend the Legislature in prohibiting these deceptive and predatory practices,” said Price Evans, SLTA Alabama Governmental Affairs Chairman.

“AARP applauds the legislature for passing important new protections for Alabama’s homeowners. We believe Senate Bill 228 will help put an end to predatory real estate service agreements in our state,” AARP Alabama State Director Candace Williams said. “We were pleased to join groups like ALTA and the Alabama Association of Realtors in supporting this legislation to protect our homes, often the most important investment toward our future financial security.”

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.

Alabama Gov. Kay Ivey signed SB 228 on May 16, and it will go into effect on Aug. 1, 2023.

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#### About ALTA

The [American Land Title Association](#), founded in 1907, is a national trade association representing more than 6,500 title insurance companies, title and settlement agents, independent abstractors, 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.