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For Immediate Release

New Nevada Law Will Protect Homebuyers from Predatory Contracts

Washington, D.C., July 31, 2023 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, alongside AARP and the Nevada Land Title Association (NLTA) applaud the Nevada legislature for passing Senate Bill (SB) 355, 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.

“We are pleased that AARP’s advocacy efforts, undertaken in collaboration with ALTA, have produced a win for Nevada homeowners,” said AARP Government Affairs Director Samar Jha. “We look forward to working on similar legislative solutions in other states to help protect homeowners against predatory housing practices.”

SB 355 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.

“I would like to thank Assemblywoman Heidi Kasama for assisting NLTA with the passage of this important legislation,” said Sylvia Smith Turk, Division President for Stewart Title Co. and Past President of NLTA. “NLTA members are proud to support and sponsor legislation to protect property rights for Nevada homeowners.”

“SB 355 will provide Nevadans some peace of mind by protecting them from unfair service agreements,” said AARP State Director Maria Moore. “As they search for supportive services that will enable them to live with dignity and independence in their own homes, many older Nevadans are being enticed with unfair service agreements promising quick cash as a marketing technique. Older adults can be especially

vulnerable and need the extra safeguards provided by SB 355 in order to be protected from such unfair, 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.

Nevada Gov. Joe Lombardo signed SB 355 into law on June 15, 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 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.