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For Immediate Release

Defeat of Bill in Texas Legislature Will Protect Homeowners' Property Rights

Washington, D.C., Aug. 1, 2023 – The American Land Title Association (ALTA), the national trade association of the land title insurance industry, alongside AARP and the Texas Land Title Association (TLTA) applauded the Texas legislature for defeating House Bill (HB) 4126, which effectively would have allowed the predatory practice of filing unfair real estate fee agreements in property records in Texas, known as Non-Title Recorded Agreements for Personal Services (NTRAPS).

Under HB 4126, Texas real estate brokerages could have offered future real estate fee agreements and provided nominal upfront cash payments to homeowners in exchange for the exclusive right to list their homes for up to 15 years, even upon the homeowner's death. If the contract was broken, the brokerage could have enforced the contract and collected 3 percent of the home's value from the homeowner or their heirs.

"I was incredibly pleased to provide testimony on ALTA's behalf and be heard by the Texas House Committee on Licensing and Administrative Procedures regarding NTRAPS," said ALTA Vice President of Government Affairs Elizabeth Blosser. "Thankfully, Texas legislators understood that HB 4126 was an outlier to other state bills that ALTA advocated for and subsequently passed."

"With the defeat of HB 4126, the Texas legislature has ensured that the unfair and deceptive practice of unfair service agreements was not legitimized as an acceptable business practice, resulting in a great victory for homeowners and property rights," said AARP Government Affairs Director Samar Jha.

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.

"TLTA is grateful for the coalescence of our partners around this issue, including the Texas Realtors, AARP and ALTA, who all worked together to successfully educate the Texas Legislature about this predatory practice and its impact on the consumer and the health of Texas real estate," said Aaron Day, TLTA Director of Governmental Affairs and Counsel.

"A home is often a consumer's largest financial investment, and a homeowner's property rights must be protected," said AARP Texas State Director Tina Tran. "During the 2023 Texas legislative session, AARP Texas was concerned that HB 4126 would have codified a complex and deceptive scheme to swindle older Texans and others out of their home equity. The bill would have authorized dubious financial agreements that could be hard for many people to understand without the expertise of real estate professionals or attorneys."

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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.