

Keep Compliance on the Radar

As you have heard, beginning January 1, 2018 the Department of Licensing and Regulatory Affairs (LARA) will undertake greater enforcement of real estate advertising, including the clarification on type size. Over the next several months, Michigan Realtors® will be embarking on a communications campaign to make sure that all Realtors® are informed and in compliance. LARA is indicating that it will be more active in the enforcement of real estate advertising. To that end, it is important that all Realtors® review their advertising to ensure that it satisfies the current requirements as well as those that are forthcoming on January 1, 2018.

The rules governing real estate advertising in Michigan have been in place for decades, subject to enforcement by LARA. Generally, all real estate advertising must affirmatively state the name of the employing broker (either as licensed or the assumed name on file with LARA). In addition to the employing broker's name, the advertising must include either the broker's telephone number *or* street address. This information is designed to tell a consumer with a question or complaint who to contact and how to contact them. Thus, it is very important to note that the broker's logo or franchise name is rarely ever sufficient to satisfy the requirements under the prior rule or the newly revised law. The exception would be where the employing broker's name as licensed, or the assumed name on file with the state, is featured in the logo itself.

As of January 1, 2018, the above requirements will also impose an objective standard for type size. In *all* real estate advertising (**including online**), the type size used for the employing broker's name must be at least as large as the type size for the individual licensee or team name. The names, however, do not need to be the same font or color. The adoption of an objective type-size standard gives LARA and Realtor® members a clear and measurable standard for enforcement and compliance.

In anticipation of January 1, 2018, Michigan Realtors® President Jason Copeman has appointed a Presidential Advisory Group (PAG) to discuss standards of practice relating to the advertising law and the type-size requirement, requesting input from LARA on compliance. Michigan Realtors® will publish all PAG findings and any guidance that it receives from LARA.

In the meantime, it is important for Realtors® to take the initiative, ensuring that existing advertising satisfies the current law while preparing for the objective type-size standard effective on January 1, 2018. Noncompliance with any provisions of the Occupational Code or administrative rules can result in suspension or revocation of a license, censure, probation, restitution, and/or an administrative fine of up to \$10,000. A forward-thinking approach to compliance is a very good idea.

The key changes in Public Act 502 can be reviewed here:

<http://www.mirealtors.com/Portals/0/Documents/ChangestotheCodeJan17.pdf>

If you have any questions, please feel free to contact Michigan Realtors® at 517-372-8890.