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Capitol Report President's Report

2026 Leadership Team



Code of Ethics Update

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We are Michigan Realtors®

My fellow Realtors® – Thank you for this incredible honor. To be fortunate enough to serve as 2026 President for this impactful organization is both humbling and inspiring.

The Foundation of Leadership

Leadership, to me, is simple: listen first, serve relentlessly and deliver unmistakable value every single day. That is exactly what we will do together this year. We will protect private property rights with the same ferocity we always have. We will turn every challenge into opportunity and make certain every member, whether they close two deals a year or two hundred, feels seen, supported and proud to call Michigan Realtors® home.

To be fortunate enough to serve as 2026 President for this impactful organization is both **humbling** and **inspiring**.

Our Collective Value

While the media has generated a fair amount of clickbait by often presenting an unflattering and chaotic narrative to the real estate world, I've never bought it, and I'm confident that you all know your immense value to your clients.

I am particularly proud of the ways in which leadership at Michigan Realtors® stepped up to help us navigate the changes presented by the NAR settlement. In my time on the Board, we've had consistently great leadership with a goal of empowering membership by providing relevant education, meaningful outreach and innovative resources that move us forward stronger than ever.

It's no secret that Realtors® take our commitment to our clients, the industry and our communities to another level. Chris, Sandi, Natalie, Jamie – learning from you over the years has made me a stronger leader, better collaborator and a more passionate Realtor®.

Building a Promising Future

As we look to our future, it will always be informed by the lessons we learned from the past.

- Membership must recognize itself in our association. We know that true engagement generates future volunteer leaders.
- An advocacy group like ours thrives off new voices, unique viewpoints and healthy debate.
- The benefits and initiatives that we roll out must continue to be cutting edge and reflective of member needs.

I know that we will succeed because I have the incredibly good fortune of working with an exceptional leadership team, Al Block and Michele Papatheodore, a dynamic Board of Directors, an amazing CEO in Rob Campau and an association staff that is unrivaled. Collectively, we are laser focused on providing member value and building for the future.

Join Our Community

My first "ask" as your 2026 President is simple: Join our community and let's continue the conversation. If you're interested in meeting some like-minded and motivated Realtors® in Michigan, make plans to attend the 2026 Achieve Leadership Conference on January 29-30 in Grand Rapids. Achieve provides leaders of every level with the tools needed to be part of the change they want to see in their local associations, offices and communities. The event gathers the best and brightest association leaders and public policy advocates from across Michigan.

In closing, I again thank you for this opportunity. I look forward to a value packed Achieve full of new friends, insightful speakers and tons of great educational opportunities. Let's learn from one another and have a great time! We are Michigan Realtors®. •

PRESIDENT Mark Oegema ABR, AHWD, C2EX WMLAR

PRESIDENT-ELECT Al Block ABR, GRI, SRES, CRS, AHWD, C2EX

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Closing out 2025 and Looking Ahead in 2026

This legislative session has been...different. I'm not saying bad or good, just different. January 1, 2025 brought about the first time in 15 years that the state of Michigan was under divided government. 2010 was the last time both legislative chambers and the governor were from differing parties, until this year. There tends to be a rhythm to the legislative process with one party in control. This year with a Republican controlled House

and a Democratic controlled Senate things are, well, different.

Very few pieces of legislation have moved quickly. Heck, very few have moved all the way to the Governor's desk at all. There are only 31 Public Acts to date: a historic low. The legislature has accomplished big things when they've worked together-provided certainty to businesses and employees regarding earned sick time and minimum wage, passed a balanced budget that provided historic education funding and delivered Governor Whitmer's long-sought money to "fix the damn roads." It's the smaller policy issues in between those larger ones that have been mired in the politics of it all.

Michigan Realtors® had a very successful 2025, secur-

ing three big priorities (that means we are involved in over 9% of this year's Public Acts). The first, protecting independent contractor status in the Earned Sick Time Act (ESTA). Secondly, the passage of the Marketable Record Title Act cleaned up confusion over preserving deed restrictions and easements to allow residential and commercial closing to proceed smoothly. Lastly, Michigan Realtors worked to secure continued funding in the fiscal year 2026 budget for the continued operation of our CE Marketplace, the continuing education approval and tracking system that we operate for the State.

Heading into next year, lawmakers are expected to turn their attention toward Michigan's broader economic competitiveness. Both parties have made clear that they want a more modern, results-focused strategy for attracting and retaining jobs. That includes reshaping how the state supports business growth as well as strengthening local redevelopment tools to help communities bring new life to aging commercial corridors. With renewed debate around job incentives, commercial reinvestment and the conditions that help employers choose Michigan, economic development will be one of the Legislature's defining themes in 2026.

Property tax reform will also take center stage on both the residential and commercial sides. Legislators have already begun exploring ways to ease the burden on homeowners and address concerns surrounding pop-up taxes and delinquent tax repayment. At the same time, commercial property owners continue to raise issues with assessment challenges that create uncertainty and can affect redevelopment decisions. These discussions are expected to expand next year as policymakers look for solutions that balance local revenue needs with fairness, transparency and long-term market stability. As these conversations continue, Michigan Realtors® will remain actively engaged to ensure that any reforms strengthen communities, support property ownership and promote a healthier and more accessible real estate market across Michigan.

In a year defined by slow movement and a divided Legislature, the work ahead

offers a real opportunity for progress. The issues on deck for 2026 are substantial and will shape everything from community redevelopment to housing affordability. As always, Michigan Realtors® will be a strong voice in the room for every step of the way in order to ensure that property rights, and a strong market remain top priorities. No matter how the political landscape shifts, our commitment to advocating for Michigan's property owners and real estate professionals remains constant. •

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The real estate market is entering a new era of compliance—one that will require closer collaboration among Realtors®, lenders, title companies, attorneys and consumers. Beginning March 1, 2026, the Financial Crimes Enforcement Network (FinCEN) will require settlement agents, attorneys and others to report specific residential real estate transfers involving legal entities and trusts.

This marks the first nationwide, permanent reporting rule for residential real estate. While compliance responsibilities fall primarily on title companies, real estate agents play a critical role in preparing clients, identifying early red flags and ensuring smoother closings.



Why This Rule Exists: A Brief Legal Background

Efforts to prevent illicit financial activity in real estate have evolved for decades:

- 1970 Bank Secrecy Act (BSA): Established anti-money-laundering (AML) obligations for financial institutions.
- 1988 Anti-Drug Abuse Act: Included "persons involved in real estate closings and settlements," though no regulations were implemented.
- 2024 FinCEN Finalizes Residential Real Estate Rule: Creates the first federal reporting requirement for certain non-financed or privately financed real estate transfers nationwide.
- 2026 Implementation Date: The new rule will apply to transactions closing on or after March 1, 2026.

What the Rule Covers: Definition of "Residential Property"

FinCEN's definition of residential real property is significantly broader than what many practitioners might expect. A transaction may fall under the reporting rule if it involves any of the following:

- Existing 1–4 unit residential structures
- Condominiums and co-ops
- Mixed-use buildings containing 1—4 residential units
- Apartment buildings that are 1–4 residential units
- Vacant land where the buyer intends to construct a 1–4 unit residential structure; If a buyer states they are purchasing vacant land with intent to build residential housing, the transaction may become reportable—even though the land is currently non-residential.

This definition applies to properties located in All 50 states; Washington, DC; U.S. territories; and Tribal lands.

What Types of Transactions are Included?

The rule focuses on transactions lacking traditional bank-level oversight or involving complex buyer structures. The following may trigger a report:

- Cash Purchases
- Land Contracts / Seller Financing
- Certain Financed Transactions; If a loan is provided by a private lender, a hard-money lender or a non-bank lender without a required AML program...the transaction may still be reportable.
 Ask buyers early: "Does your lender have an NMLS number?"

Who the Buyer Must Be for Reporting to Apply

The type of buyer is a critical factor. A transaction becomes reportable when the buyer is not an individual person, including LLCs; Corporations; Partnerships; Trusts; Any other legal entity; and Any arrangement that masks beneficial ownership. FinCEN's primary goal is identifying the beneficial owners, the real humans who ultimately own or control the buyer's entity or trust. If any of the buyers fall into these categories, and the transaction meets the property and financing criteria, a report will be required.

What Information Will Be Reported?

Beginning March 1, 2026, settlement agents will be required to collect and report up to 111 data elements, including (naming a few):

- · Property address and legal description
- · Closing date
- Purchase price
- Buyer and seller identities
- Beneficial owners of buyer entities or trusts
- Payment methods
- Bank account numbers and financial institution information for all funds used
- Third-party payments made on behalf of the buyer
- Trustee information, when applicable

Reports must be submitted no later than the last day of the month following closing, or 30 days after the date of closing. Reporting parties must retain certifications and documents for five years.

What is Not Reportable? Key Exemptions - Yes there are Exemptions

- · Easements being transferred
- Transfers resulting from death (probate or trust administration) – this is a gray area, and most will be reported
- Transfers incident to divorce this is a gray area, and most will be reported
- · Certain transfers for no consideration, note in Michigan all Deeds need a consideration
- Bankruptcy-related transfers this is a gray area, and most will be reported
- · Court-supervised transfers
- Transfers to a Qualified Intermediary in a 1031 exchange
- Corrective deeds

Note, these exemptions may be refined as FinCEN issues additional guidance.

What Realtors® Can Expect - and How to Prepare

Although Realtors® do not file reports, your role in ensuring a smooth process will be vital. You may notice:

- · More questions upfront
- Buyer structure, lender type and funding source will become early discussion points
- · Longer intake and documentation timelines
- Entities and trusts require more verification and certified ownership disclosures
- Increased expectations to educate clients

- Consumers may not understand why deeply personal or financial information is required
- More collaboration with title companies inform your title companies who the Seller(s) and Buyer(s) are and how to reach them via phone and email
- Expect new intake forms, questionnaires, and timelines tied to the federal reporting process

This marks the first **NATIONWIDE** PERMANENT REPORTING **RULE** for residential real estate.

Practical Steps Realtors® Should Take Now to Prepare for March 1,2026

- Add FinCEN questions to your buyer consultation Examples: "Will you purchase in an LLC, corporation, or trust?" "Is your lender private or institutional?" "Are you intending to build a residence on the land?"
- Educate your seller(s) They may need to provide additional trust or entity documents.
- Work closely with your title partners Can they provide you with their process of how this will be handled Electronically (via emails and portals) or in person? Are there checklists, workflows, and supporting tools to help ensure compliance?
- Set expectations early in the transaction Transparency prevents closing delays. Use an Addendum to address FinCEN in the Purchase Agreement.

As interpretations and potential legal challenges evolve, Michigan Title World will continue supporting title companies and Michigan Realtors® with:

- Webinars, training, educational materials seek out CE Legal Credit for this topic
- Reporting checklists and forms

FinCEN's Residential Real Estate Reporting Rule introduces one of the most significant compliances changes our industry has seen in decades. With early awareness and strong collaboration, Michigan Realtors® can help their clients navigate the new requirements with confidence. By preparing together, lets ensure Michigan's real estate market remains transparent, compliant, and consumer-focused when the rule goes into effect on March 1, 2026.

Cindy Immonen, NTP, CLTP, Solutions Provider VP, Sr. Account Manager P: 248-331-6860 | E: cindy.immonen@fnf.com

LEADERSHIP TEAM

2026 Officers



President: Mark Oegema, West Michigan Lakeshore

Mark Oegema has been a licensed Realtor® since 2004. He has a deep passion to educate himself deeper, grow in leadership, be a voice of advocacy for real estate and most importantly learn from others. He is a Broker and Owner of Home Realty. Oegema currently sits on the Board for Michigan Realtors® and will serve as President in 2026. National Association of Realtors® selected Mark to serve on the 2026 Multiple Listing Issues and Policies Committee. Oegema is an RPAC Major Investor (Golden R, President's Circle, andHall of Fame). His prior involvements include Michigan Realtors® Public Policy Committee, Graduate of Michigan Realtors® Leadership Academy, Co-Chair of Convention Task Force, Finance Committee Chair, Chair of Public Relations for WMLAR, Past Board Member for WMLAR (2012-2015), Past President for WMLAR (2017) & WMLAR Realtor® of the Year Recipient (2021). Mark is a graduate of Grand Valley State University's Seidman School of Business with a BBA in Marketing. Oegema enjoys volunteering with Habitat for Humanity and has taken 5 Global Village Trips along with serving locally. Outside of real estate, Mark and his wife Kristen stay busy with their two kids Harper (7) and Hayden (6).



President-Elect: Al Block, Greater Metropolitan

Alfred Block brings a unique skill set to the table, shaped by a diverse background. He is a Co-Owner/Associate Broker of RE/MAX First, which has 7 offices in Metro Detroit, a Licensed Appraiser, and an Owner/Landlord of a real estate portfolio. Born in Detroit and raised in Hamtramck by immigrant parents, Al attended Divine Word Seminary in Ohio before shifting to Wayne State University to study Corporate Finance. His father was a U.S. Army veteran, and his mother a professional pianist and seamstress. Both passed away when Al was a teenager. Al began his real estate career at 19 in 1989. His eldest son, Haden, joined him in 2014, and together they have made significant strides in the industry. Al's dedication to real estate earned him the 2020 Realtor® of the Year award from the Greater Metropolitan Association of Realtors® and Michigan Realtors®. Al has served over 35 years in Realtor® governance/volunteering with the Greater Metropolitan Association of Realtors® and several Multiple Listing Service entities; proudly a Past-President of GMAR. Similarly serving with Michigan Realtors®, including as RPAC Trustee, District 10 Director, and on several committees. He was elected Michigan Realtors® 2026 President-Elect and is appointed 2026 National Association of Realtors® Director (previously serving NAR BOD 2019-2022), serves several Committees State and National. A proud Federal Political Coordinator US Congressional 9th District. Outside of work, Al has contributed to charities such as Habitat for Humanity, Grace Centers of Hope, Children's Miracle Network, and Children's Hospital of Michigan. His hobbies include bourbon, which he shares with his 3 sons (32, 29, 27) and renovating houses. He is the founder of the Detroit Bourbon Club. Al enjoys spending time visiting his extensive family in Germany and his long-time girlfriend, Lisa, a registered nurse at Henry Ford Hospital.



Treasurer: Michele Papatheodore, East Central

Michele Papatheodore, Associate Broker at Keller Williams First, began her real estate career in 2006 following more than 20 years in automotive retail management. That first career instilled in her a strong foundation in client care, education, and leadership-qualities that continue to guide her success in real estate today. Michele is deeply committed to advancing the real estate profession. She has served as a Michigan Realtors® Director for three years and is currently an RPAC Trustee and member of the Finance & Audit Committee. Within the East Central Association of Realtors®, Michele has held numerous leadership roles, including President (2026 & 2021), Director, and committee member for Professional Standards, Grievance, Standard Forms, Budget & Finance, and RPAC. A dedicated member of the Women's Council of Realtors® East Central Network since 2010, she has served as Past President and embraced opportunities to educate, lead, and support fellow professionals. She was honored as Realtor® of the Year in 2015, is an eight-year RPAC Major Investor, and earned her C2EX designation in 2020. Her commitment extends beyond real estate into community service. Michele is Board Chairperson of the Fenton Community Foundation, Secretary of the Autism Resource and Support Center, Co-President of the Fenton Lions Club, and an active member of the Fenton/ Linden Chamber of Commerce. Family is at the heart of everything she does. Michele and her husband, Jim, cherish time with their three children and enjoy traveling, boating, swimming, and sporting events together. She looks forward to continuing her service to the real estate profession, her colleagues, and the community she loves.

LEADERSHIP TEAM

2026 Board of Directors



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Most Realtors® are familiar with the Sitzer-Burnett settlement which brought industry-wide changes to the ways in which buyer brokers can be compensated. NAR has continued to update the Code of Ethics and Arbitrational Manual to modify the rules on compensation and arbitration for the post-settlement world. This article will discuss the latest changes.

Background

By way of background, in August of 2024, the Sitzer-Burnett settlement practice changes went into effect. In short, these practice changes included:

- 1. Unilateral offers of compensation to buyer brokers are no longer to be permitted on the MLS. The settlement does not prohibit listing brokers and sellers from compensating a buyer's broker, but that negotiation of compensation must take place off the MLS.
- 2. MLS participants who are "working with a buyer" must enter into a written agreement with that buyer prior to touring a home. The written agreement must specify an "objectively ascertainable" amount of compensation. This means that the compensation agreed upon cannot be a range (for example, "Up to \$5000"), nor can the

agreement include language that makes the buyer broker's compensation dependent on whatever the listing broker/ seller may be offering. While the buyer's broker is permitted to be paid by multiple sources (for example, payment from the buyer, seller, and/or listing broker) they cannot accept more in compensation from any source than what was agreed upon in that written buyer agreement.

While, on their face, these practice changes seemed fairly straight forward, many Realtors® questioned what the changes meant for the future of commission disputes, arbitration awards and other various issues under the Realtor® Code of Ethics.

For example, one key question that surfaced was this: What happens if, in a commission dispute, a panel makes an award to a buyer's broker, but the amount awarded exceeds what the buyer and their broker agreed to in writing? Remember that, under the Sitzer-Burnett settlement agreement, a buyer broker cannot accept more in compensation than what they agreed to receive in their written buyer agreement. That creates a potential conflict when an arbitration award exceeds the amount that the buyer broker is permitted to receive under the scope of the settlement.

. . . updates, which took effect on **January 1, 2026**, are intended to bring greater **clarity** and **consistency** to the Realtor® dispute resolution process while also modernizing **the Code** to align with the *Sitzer-Burnett* settlement.

Recent Updates to the Realtor® Code of Ethics

In November 2025, the NAR Board of Directors approved several amendments to the Realtor® Code of Ethics aimed at preventing the type of issue illustrated in the example above. These updates, which took effect on January 1, 2026, are intended to bring greater clarity and consistency to the Realtor® dispute resolution process, while also modernizing the Code to align with the *Sitzer-Burnett* settlement. The key amendments include the following:

- Standard of Practice 17-4 was updated to ensure compliance with the tenets of the settlement agreement by reinforcing the point that compensation awarded in arbitration MAY NOT EXCEED the amount outlined within the terms of the buyer representation agreement.
- Article 7 was updated to provide that when a Realtor® is receiving compensation from more than one source they are no longer required to disclose that fact to "all parties" in the transaction. They are only required to make a disclosure and obtain approval from their client. The rationale for this change is rooted in the fact that there are often post-settlement scenarios wherein the buyer broker may be compensated by more than one party. For example, the seller may agree to directly pay a portion of the buyer's commission obligation to the buyer broker, with the remainder being paid by the buyer. The revision to Article 7 keeps in place the important ethical duty to fully inform your client about how you're getting paid, while also making it clear that there is no obligation to disclose the contents of a buyer-broker agreement to sellers or their brokers.
- Standard of Practice 3-4 was removed. This Standard of Practice (SOP) required the disclosure of variable rate commissions and was based on the old of system wherein listing brokers made a unilateral offer of compensation in the MLS a practice which is no longer permitted. Postsettlement, cooperative compensation (if it is even offered) is merely one negotiable term in a transaction. It is no longer something that is automatically set in the MLS. Because of this shift, this SOP 3-4 is no longer necessary, and removing it helps to modernize the Code to align with the letter and the spirit of the Sitzer-Burnett settlement practice changes.

Stay tuned throughout the year as updates to the Realtor® Code of Ethics continue to develop. The NAR Professional Standards Committee is currently exploring additional revisions, including how arbitration should function when multiple buyer-brokers each assert claim to compensation offered by a listing broker (with the seller's authorization). The Michigan Realtors® Legal Team will continue to monitor these those discussions and keep you informed as new guidance becomes available. •



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