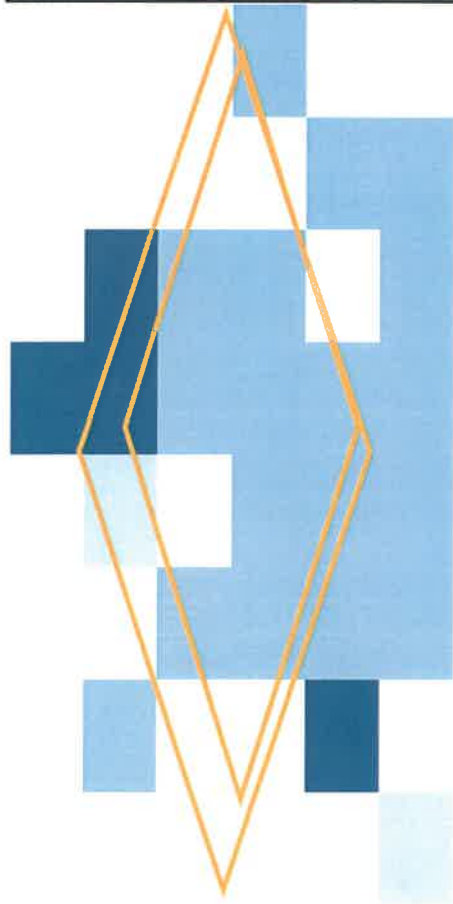


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A Message from the President

My fellow MAHC Members,

Spring is starting to make her presence known here in Michigan, and I for one am ready. While I appreciate a good cup of hot cocoa, I also look forward to not wearing a parka, gloves and a scarf—and still wishing I had another layer on! Cold weather can't compete with the sunny promises of Spring's warmer weather. When I see the daffodils bloom, I know that we've turned the corner.



I hope you have had a chance to check out MAHC's website for the latest information on our annual conference, May 18-21 at Punta Cana in the Dominican Republic. Sundrenched beaches and lush tropical breezes are a great way to reward yourself after being cooped up in the winter. I look forward to connecting with our members and attending seminars to get the latest news in cooperative housing. I always take away something new from each conference and apply it to my cooperative, Fountain Court. I hope you can join us this year in the Dominican Republic.

If you're new to your cooperative board, congratulations! You have a tremendous responsibility to the members of your community. Uncertain about your responsibilities? Our New Board Member training program is for you. We conduct a session at conference and we're also conducting one before conference. If you're in the Detroit area, our New Board Member Training session is on May 10, 2025 from 10 a.m. to 3 p.m. at Georgetown Cooperative in Taylor, Michigan. Contact our office manager, Annette Dukes at dukes@mahc.coop to register.

I am honored to be your president. I believe that cooperative housing provides opportunities for people to build up equity, offers people of different backgrounds to learn from each other, and most importantly, I believe that organizations such as MAHC have a mission to ensure that cooperative housing will continue to thrive in the future.

Jerome Rayford

Jerome Rayford, President
Midwest Association of Housing Cooperatives

HERE'S WHY YOU SHOULD ATTEND MAHC'S CONFERENCE

by Jerome Rayford, President of MAHC

Attending the Midwest Association of Housing Cooperatives (MAHC) conferences is important for several key reasons:

- 1. Education and Training:** Conferences provide valuable educational sessions that cover a wide range of topics relevant to housing cooperatives. This includes best practices in management, governance, finance, maintenance, and resident engagement. Attendees gain insights that can enhance the effectiveness of their cooperatives.
- 2. Networking Opportunities:** These events offer a unique chance to connect with other housing cooperative members, including board members, managers, and residents. Building relationships within the cooperative community can lead to collaborations, sharing of resources, and mentorship opportunities.
- 3. Access to Expertise:** The conferences often feature expert speakers and panel discussions. Attendees can learn from industry leaders and gain knowledge on current trends, legal issues, and innovative practices that can benefit their cooperatives.
- 4. Problem-Solving:** Attending the conference allows participants to discuss common challenges faced by housing cooperatives and learn how others have successfully navigated these issues. This collaborative environment fosters problem-solving and sharing of solutions.
- 5. Policy and Advocacy:** Conferences often address important legislative and regulatory issues affecting housing cooperatives. Attendees can engage in discussions about advocacy efforts and how to promote policies that benefit cooperative living.
- 6. Community Building:** The conferences help foster a sense of community among housing cooperatives. Participants can share their experiences, celebrate successes, and support one another in their cooperative journeys.
- 7. Inspiration and Motivation:** Hearing success stories and innovative ideas from peers can inspire attendees to implement new initiatives or enhance their cooperative's operations.
- 8. Resources and Tools:** Exhibitors at the conferences often provide resources, tools, and services tailored to the needs of housing cooperatives. This access can help organizations make informed decisions about products and services they may need.

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Continued

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UPDATE-MIDWEST ASSOCIATION OF HOUSING COOPERATIVES & THE CTA

The following was originally sent out by MAHC in February 2025

The Midwest Association of Housing Cooperatives and ten of its Michigan member housing cooperatives, represented by Randall A. Pentiuk and April E. Knoch from the law firm of Pentiuk, Couvreur & Kobiljak, P.C. of Wyandotte, Michigan, filed suit against the U.S. Department of Treasury and FinCen on the basis that the Corporate Transparency Act (“CTA”) is unconstitutional and a Congressional overreach by the Federal Government. See *Midwest Association of Housing Cooperatives, et al., v. Yellen, et al.*, No. 4:24-cv-12949 (E.D. Mich. 2024).

“One of the important facets of this case lies in the fact that housing cooperatives do not engage in interstate commerce as a function of their operations, and neither do their economic activities in the aggregate “substantially affect” interstate commerce. Their sole purpose is to provide affordable housing to their cooperator members. If the Corporate Transparency Act is applied to housing cooperatives, then this law is in fact a Congressional overreach that is a chilling deterrent on volunteer cooperator members trying to serve their communities, while subjecting them to extreme penalties and a big blow to affordable housing.” said Knoch.

A dozen similar suits have been filed, including one in the Western District of Michigan and all remain pending. A challenge brought in the Northern District of Alabama resulted in Judge Liles C. Burke enjoining the CTA as applied to the plaintiffs in that action. There, the court addressed and found wanting all three of the government’s asserted sources of constitutional authority: the foreign affairs powers, the Commerce Clause authority, and as a necessary and proper exercise of Congress’ taxing power. See *National Small Business United v. Yellen*, 2024 U.S. Dist. LEXIS 36205 (Mar. 1, 2024). The government has appealed that injunction to the Eleventh Circuit.

Legal challenges on the constitutionality of the law itself remain in play in at least 15 different lawsuits across multiple federal court districts and jurisdictions. One case is currently in the Eleventh Circuit but a decision has been on hold since late 2024 after two Texas Eastern District Judges issued nationwide stays on CTA enforcement in December 2024 and early January 2025. Both of those injunctions were since stayed by a higher Court but the underlying appeals remain pending.

Continued on page 6

MAHC’s Newsletter Committee



Editor

Randall Pentiuk



Associate Editor

Barb West



Associate Editor

April E. Knoch



Associate Editor

Monte Huston

The MAHC Messenger

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On March 3, 2025, the Michigan Western District Court issued its own opinion in *Small Business Association of Michigan et al v. Yellen et al*, 1:24-cv-00314 (W.D. Mich), ruling in favor of the Plaintiff's Motion for Summary Judgment and denying the Government's Motion for Summary Judgment, finding that the CTA unconstitutional under the Fourth Amendment. The Court went on its opinion to state:

"The Fourth Amendment is one of the key limits on government power that protects the legitimate privacy interests of citizens from unreasonable government intrusion. In Orwell's 1984, "Big Brother" had omnipresent telescreens everywhere—including every citizen's living room—that made sure nothing beyond a smuggled, hand-written diary was truly private. The CTA doesn't go that far, to be sure, but it's a step in that direction....It amounts to an unreasonable search prohibited by the Fourth Amendment."

Small Business Association of Michigan et al v. Yellen et al, 1:24-cv-00314, ECF No. 48, at 24 (W.D. Mich) (Mar. 3, 2025).

The judgment entered in this case, however, only permanently enjoined enforcement of the CTA upon Plaintiffs and Plaintiffs' members of that particular case. Meanwhile, , the *Texas Top Cop Shop*, et. al., case is on appeal to the Fifth Circuit Court. Briefing has concluded and oral argument is set for Tuesday, March 25, 2025. The Midwest Association of Housing Cooperatives and several Michigan housing cooperatives - which filed their own lawsuit in the Eastern District of Michigan - have also filed an amicus brief in the Fifth Circuit - on behalf of cooperative boards nationally. April Knoch and Randall Pentiuik, of Pentiuik Couvreur & Kobiljak represent them in both the Michigan and Fifth Circuit courts.

There is pending legislation before Congress and the Senate. H.R. 736 - Protect Small Businesses from Excessive Paperwork Act of 2025 was introduced by Representative Zachary Nunn (R-IA-3) and S. 505 - A bill to amend title 31, United States Code, to modify the deadline for filing beneficial ownership information reports for reporting companies formed or registered before January 1, 2024 was introduced by Senator Tim Scott (R-SC). H.R. 736 was passed by a vote of 408-0 on February 10, 2025, and was sent to the Senate Banking, Housing, and Urban Affairs Committee for consideration, where S. 505 was also introduced.

We encourage all cooperatives to submit comments and urge federal legislators to immediately repeal the CTA. MAHC and Pentiuik, Couvreur & Kobiljak, P.C., can assist any cooperative who would like to submit their own statement encouraging Washington to repeal the law. The Plaintiffs in *Midwest Association of Housing Cooperatives, et. al., v. United States Department of Treasury, Secretary of et al*, 4:24-cv-12949 (E.D. Mich), filed a Brief of Amici Curiae in the *Texas Top Cop Shop*, et. al., appeal in the Fifth Circuit, lending support to the efforts to have the CTA ruled unconstitutional and will continue pursuit of their claims in the Eastern District of Michigan in their fight for housing cooperatives.

FinCEN will likely continue with its plan to issue an interim final rule by March 21, 2025 to establish new reporting deadlines for foreign reporting companies only, thereby giving the announcement the force of law and reopening public comments concerning the implementation of rules that narrow the scope of the CTA but effectively leave a poorly drafted law in place and a window for the Agency to broaden its application at any time it determines. Accordingly, we recommend that domestic and reporting companies continue to monitor for any updates from Treasury and FinCEN and do everything we can as a housing cooperative community to change the law.

April E. Knoch, Esq.
Pentiuik, Couvreur & Kobiljak, P.C.

***NBM (New Board Member) Training!
Is Coming To***

Georgetown Place Cooperative

WHEN: May 10th, 2025

TIME: 10:00 am - To - 3:00 pm

***Sponsored By
Midwest Association of Housing Cooperatives***

(Lunch & Refreshments Will Be Served)

Please Contact The MAHC Office At

(734)955-9516

For Pricing & More Information

dukes@mahc.coop



Join us in the Dominican Republic

May 18-21, 2025

Paradise Palm Real Golf & Spa Resort

Registration Open!

Go to www.mahc.coop

Eligibility of Members to Vote and Run for Election at Annual Meetings

Now that the spring and summer months are upon us, annual meetings are being scheduled to be held, and a Board of Directors may be faced with questions pertaining to members being eligible to vote at annual meetings who are delinquent in their monthly carrying charges or operating payments or any other sum due under his/her occupancy agreement. While a Board of Directors might be sympathetic to payment delinquencies, a vast majority of cooperative Bylaws provide for a prohibition of a delinquent member to vote at an annual meeting.

Generally, the Bylaws will provide for a provision that prohibits a member from being eligible to vote who is shown on the books of the cooperative to be delinquent in any payments due to the cooperative under his/her occupancy agreement. The typical time frame of a delinquency is thirty days past due. However, Bylaws vary from cooperative to cooperative, so it is vital that a Board of Directors be aware of the specific timeframe in their respective Bylaws when this situation arises. In most cases, this situation remedies itself as members will cure their payment delinquency prior to the annual meeting as a vast majority of members want to participate in annual meetings as voting is a tenet of self-governance.

However, a situation may arise where a member is prohibited from voting at the annual meeting due to their delinquency as a result of the cooperative's Bylaws. It is not lost on a Board of Directors that members may have difficulty curing their payment delinquency. However, it is imperative that the Board of Directors enforce the cooperative's Bylaws and prohibit the member from voting as a result of the delinquency. Board of Directors who are faced with this situation must contact their cooperative attorney for legal assistance.

This situation may also arise for a member who is desirous to run for election but is delinquent in his/her carrying charges or operating payments or any other sum due under the occupancy agreement.

Generally speaking, most Bylaws will also provide for a provision that prohibits a member from being elected to the Board of Directors as a result of being delinquent in any payments due to the cooperative under his/her occupancy agreement. In this scenario, the member would not only be prohibited from voting at the annual meeting, but would also be prohibited from seeking election.

Just as with the above scenario, a member who is desirous to run for election and participate in self-governance will usually remedy the delinquency prior to seeking nomination. However, if the situation arises where the member refuses to cure the payment delinquency, then the Board of Directors must turn to its cooperative attorney for legal guidance.

Turning to other eligibility requirements for members seeking to be elected to the Board of Directors, some cooperative Bylaws will also provide for a provision in the Bylaws that place other restrictions for the eligibility of Directors. Examples of restrictions may include prohibitions of a member to be eligible for election if that member is related by blood, marriage or operation of law to a current Board Member or employee of the cooperative or if that member has been convicted of a felony crime or if the member is delinquent in his/her payments.

In addition to eligibility requirements, a cooperative's Bylaws, absent the allowance of nominations from the floor in the Bylaws, may also provide for nomination eligibility such as members announcing their candidacy along with distributing resumes and/or campaign messages within a set amount of days prior to the annual meeting so that the membership can be advised with the names of all candidates seeking election and their resumes and/or campaign messages prior to the annual meeting.

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As each cooperative's Bylaws are different, nomination eligibility may be more or less restrictive than the above listed examples.

Again, when a situation arises with respect to the eligibility of a member voting at the annual meeting and/or running for the Board of Directors, it is vital that the Board of Directors contact its cooperative attorney for guidance. An experienced cooperative attorney will be able to analyze the cooperative's Bylaws and provide guidance to the Board of Directors in order to resolve the dispute.

MAHC Messenger Staff

Editor -Randall Pentiuik, Esq.

Review-April Knoch, Creighton Gallup

Publication Design and Layout-

Karlynn Wilburne

Benefits of MAHC Membership

ANNUAL CONFERENCE-Our Annual Conference provides an opportunity for our member cooperatives to attend classes on a variety of subjects and to network with housing cooperators from other areas. Our Annual Conference is held in fun-filled destinations that allow attendees to relax after a day of intensive class participation. The Annual Conference features CCS and New Board Member training sessions. This is definitely a must-attend event!

WORKSHOPS-MAHC Task Force Workshops cover topics including Membership Selection, Financial Management, Cooperative Communications, Serving on the Board, Membership Orientation, Intro to Co-ops, Management Contracts, and much more.

HOUSING HANDBOOK-MAHC publishes the Cooperative Housing Handbook frequently referred to as the "Co-op Bible". This handbook is a must have for those involved in the production, governance, management or routine operations of a housing cooperative.

CERTIFICATION-MAHC is the only organization to provide Certified Cooperative Specialist (CCS) training for board members. The workbook, training, testing materials, and professional instructors create a dynamic and pertinent Co-op educational experience.

EDUCATION-MAHC is a leader in the development and presentation of quality education programs for the cooperative community. Boards of Directors, staff, managers, accountants, maintenance, and government staff are among those who benefit from our training.

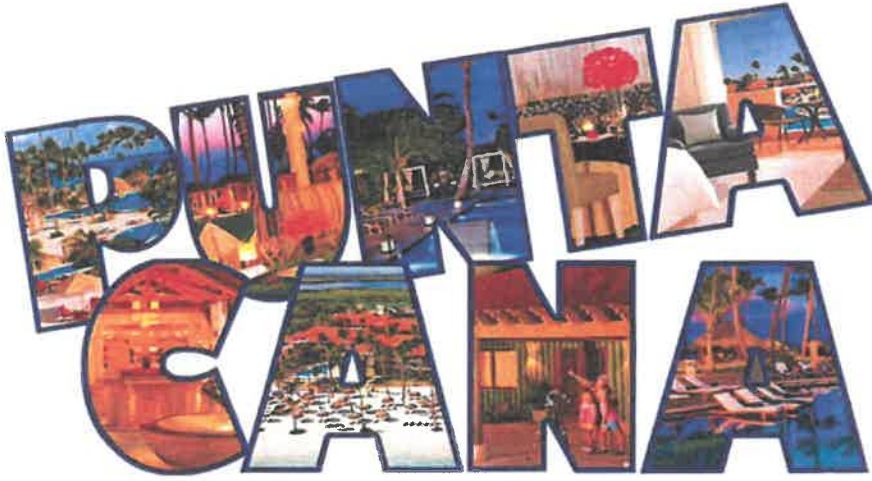
NETWORKING-MAHC responds to inquiries from individuals seeking to move into a housing cooperative by providing a list of our members in the identified area. Our conferences provide excellent networking opportunities for cooperators from across the country.

NEWSLETTERS-MAHC Messenger, our quarterly newsletter provides timely informative articles from the "how-to" to an analysis of new legislation. We regularly feature information regarding upcoming events and answers to members' questions. - MAHC Messenger, our quarterly newsletter provides timely informative articles from the "how-to" to an analysis of new legislation. We regularly feature information regarding upcoming events and answers to members' questions.

The MAHC Messenger

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Resources

Website & Office

www.mahc.coop
10882 Beech-Daly Rd.,
Taylor, MI 48180

Other Web Resources

National Association of Housing Cooperatives
www.nahc.coop

Direct Learning

Contact the MAHC office for
more information about
on- site training opportunities!

National Coop Law Center

www.nationalcooperativelawcenter

Registration is Open!

**MAHC 2025
ANNUAL CONFERENCE**

May 18-21, 2025

**Check our website for info
www.mahc.coop**

Our Mission Statement

To support and champion the cause of quality housing through education, legislative actions, partnership, and advocacy for Housing Cooperatives



Rochdale Principles

People coming together to work toward the betterment of society. During the 19th century, the Industrial Revolution created tremendous upheaval, often to the detriment of workers. What required many hours of hand-skilled labor now took half the time with machines. Hand weavers were one of the groups who suffered the most as looming machines and textile factories could turn out products and materials faster than traditional hand weavers. A group of tradespeople and weavers, said “Enough” and formed their own organization, developing their guiding principles which became the foundation of the cooperative movement and these principles are still in use today, with some minor modifications.

1. **Voluntary and Open Membership**—Membership is open to all individuals free from discrimination
2. **Democratic Member Control**—equal votes for members-one member/one vote
3. **Members’ Economic Participation**—Maintaining economic cooperation through equitable contribution and sharing of economic responsibilities and benefits
4. **Autonomy and Independence**—Cooperatives exist as autonomous organizations owned by their members
5. **Education, Training and Information**—Helps members increase productivity
6. **Cooperation Among Cooperatives**—Working with fellow cooperatives at the local, state and national level
7. **Concern for Community**—Looking after members of the community