

Mainstreet  
REALTORS®

# Lawlapalooza

LAW DAY Welcome



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## Top Gavel



## Partners in Professionalism



## Partner in Conflict Resolution



# Antitrust Statement

Mainstreet REALTORS® is a not-for-profit professional membership association devoted to ensuring the success of REALTORS® and affiliates in the Chicagoland area.

Mainstreet meetings and events often include real estate professionals and other industry stakeholders who compete with each other or work for competing businesses. Mainstreet is committed to conducting all meetings and events in a professional, ethical and lawful manner, including in adherence to all antitrust laws.

To that end, the topics for this meeting will focus on advancing the interests of real estate professionals and consumers of real estate services, enhancing competition, reducing risk for all parties involved in real estate transactions and sharing insights on business best practices.

These discussion topics are always prohibited:

- Agreements to fix prices,
- Limiting product or service offerings,
- Allocating geographical territories or customers; and
- Refusing to deal

**Any discussion inconsistent with this policy will not be tolerated.**





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# Top Gavel: Lead Sponsor



**Jill Daniels LLC**

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# Laws of the Land: *The Next Set*

Joe Fortunato & Chris Read

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# Laws of the Land: *The Next Set*

- RELA (Real Estate License Law) Amendment effective 1/1/2025
- Administrative Rules (TBD)
- NAR Lawsuit Updates
  - Gibson v. NAR
  - Batton 2
  - MLS PIN
  - DOJ (Department of Justice)
- NAR Issues
  - Clear Cooperation Policy
  - Non-REALTOR<sup>®</sup> MLS Access
  - Defending the Three-Way Agreement





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# Rentals:

## *New Laws, New Rules*

Heidi Bolger  
Joe Fortunato  
Kenya Williams

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# Rentals: New Laws, New Rules

- License Law Changes
- Impact on leasing agents, assistants, team structures
- Increased scrutiny on advertising and brokerage oversight



# Rentals: New Laws, New Rules

## Mainstreet Leasing Worksheet

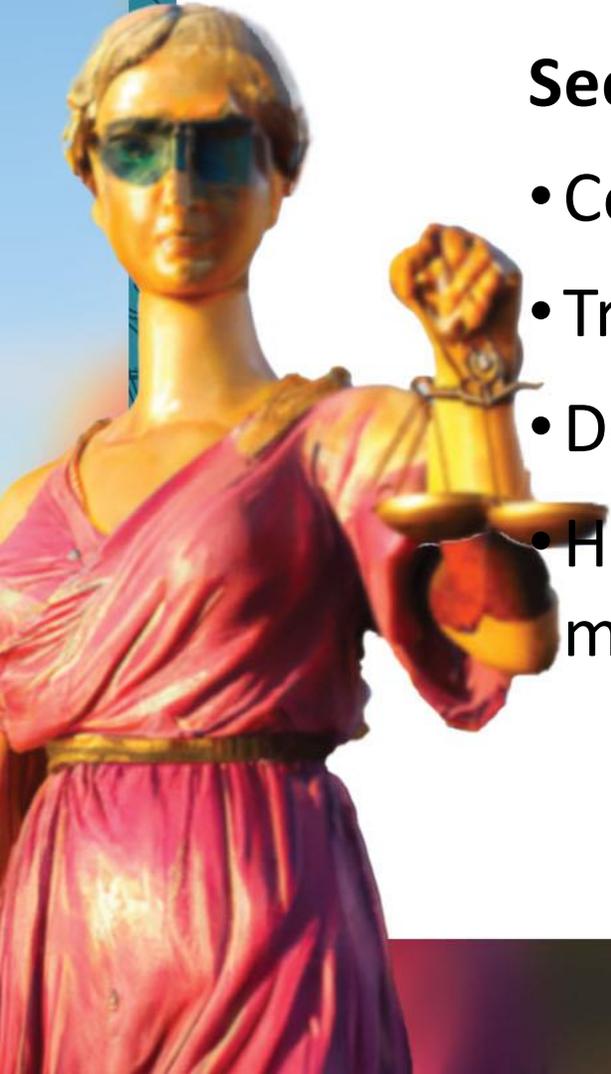
- Tool for client interaction – not autofillable
- Supports transparency and professionalism
- Available ONLY on Mainstreet's website



# Rentals: New Laws, New Rules

## Security Deposits & Move-In Fees

- Cook County Cap – 1.5x monthly rent
- Trend towards limiting duplicative fees
- Document and apply fees consistently
- HB 3564 encourages review and regulation of tenant move-in fees at the local level



# Rentals: New Laws, New Rules

## Radon Disclosure Law (2024 Change - reminders)

- Applies to units below 3<sup>rd</sup> floor
- Disclosure form required
  - Additional disclosure if elevated radon levels are known
- Mainstreet's Residential Leases includes radon disclosure form



# Rentals: New Laws, New Rules

## Disclosure of Potential Flooding Law (2025)

- Disclose flooding history or floodplain status
- Applies to all residential rentals
- Mainstreet's Residential Leases includes flooding disclosure language



# Rentals: New Laws, New Rules

## Reusable Tenant Screening Reports (HB 4926)

- Tenants can use (approved) credit report for 30-day
- No application fee if report is accepted
- Must include credit, eviction, and criminal history



# Rentals: New Laws, New Rules

## FHFA Lease Rules - Rescinded

- Rescinded April 1, 2025
- Mandated that housing providers with new Fannie or Freddie loans provide tenants:
  - 30 day written notice of rent increase;
  - 30 day written notice of lease expiration;
  - 5 day grace period for rent payments
- Trend may resurface in state or local policy



# Rentals: New Laws, New Rules

## HB 3564 – Fair Notice Before Rent Increase

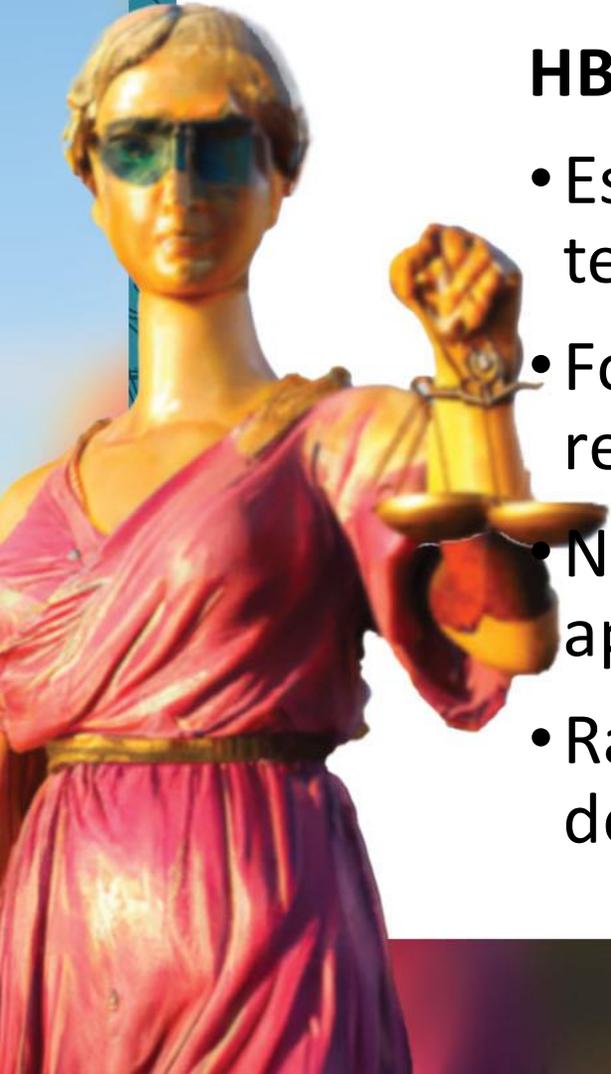
- Requires 90 day written notice for rent increases over 5%
- Applies to tenants in place for 6+ months on month-to-month or similar agreements
- Strengthens tenant protection against sudden rent hikes
- Encourages stability and predictability in housing
- Landlords must plan communications and renewals in advance



# Rentals: New Laws, New Rules

## HB 3564 – Tenant Right to Counsel in Evictions

- Establishes a statewide framework to fund legal aid for tenants facing eviction
- Focus on tenants in Cook County and other high-impact regions
- Not yet fully funded, but advocacy is ongoing to secure appropriations
- Raises awareness of potential tenant defenses and slows down some eviction filings





# The Legal Drop: *Case Law Update*

Joe Fortunato

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**Legal 1031**  
Exchange Services, LLC  
*a Kensington Vanguard Company*



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# Fair Housing Unplugged: *Source of Income*

Annette Panzek  
Carrie Little





# Beyond the Code: *New Rules, Real Talk*

Lynn Madison

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# Code of Ethics Probable / Possible Changes for 2025

- Not all inclusive – there might be more!
- Preview of discussion topics.
- **Article 1 - Standard of Practice 1-12:**
  - **Currently:** the REALTOR®'s company policies regarding cooperation and the amount(s) of compensation that will be offered.
  - **Change:** sellers decide, not brokerages.



# Code of Ethics Probable / Possible Changes for 2025

## Article 3

- **Standard of Practice 3-1 Currently:** REALTORS® acting as exclusive agents or brokers or sellers/landlords, establish the terms and conditions of offers to cooperate.
- **Change:** Sellers choose.



# Code of Ethics Probable / Possible Changes for 2025

## Article 3

- **Standard of Practice 3-2 Currently:** Any change in cooperative services must be communicated to the other REALTOR<sup>®</sup> prior to the time that REALTOR<sup>®</sup> submits an offer to purchase/lease the property. After a REALTOR<sup>®</sup> has submitted an offer to purchase/lease the property, the listing broker may not attempt to unilaterally modify the offered compensation with respect to that cooperative transaction.
- **Change:** Probably removed.



# Code of Ethics Probable / Possible Changes for 2025

## Article 3

- **Standard of Practice 3-4 Currently:** REALTORS<sup>®</sup>, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements.  
• **Change:** Probably removed.



# Code of Ethics Probable / Possible Changes for 2025

## Article 7

- **Currently:** In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the REALTOR®'s client or clients.
- **Change:** No disclosure to the other side unless dual agency.



# Code of Ethics Probable / Possible Changes for 2025

## Article 9

- **Standard of Practice 9-2 Currently:** When assisting or enabling a client or customer in establishing a contractual relationship (e.g. listing and representation agreements, purchase agreements, leases, etc.) **electronically**, REALTORS® shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party.
- **Change:** Should be done always, not only electronically.



# Code of Ethics Probable / Possible Changes for 2025

## Article 16

- **Standard of Practice 16-10 Currently:** REALTORS® acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representatives or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease.
- **Change:** Recommending removal.



# Code of Ethics Probable / Possible Changes for 2025

## Article 16 – Cooperation with other Brokerages

- **Standard of Practice 16-15 Currently:** Reference to compensation cannot be paid to broker directly, must pay brokerage.
- **Change:** Wording tweak.



# Code of Ethics Probable / Possible Changes for 2025

## Article 16 – Cooperation with other Brokerages

- **Standard of Practice 16-16 Currently:** Prohibits brokers from using offer to modify listing brokerage's offer of compensation.
- **Change:** Remove/Reword.



# Code of Ethics Probable / Possible Changes for 2025

## Article 16 – Cooperation with other Brokerages

- **Standard of Practice 16-17 Currently:** Cooperating brokers shall not attempt to extend a listing broker's offer of compensation to other brokers without listing broker's consent.

• **Change:** HUH?!??



# Code of Ethics Probable / Possible Changes for 2025

## Article 17

- Arbitrate not litigate.
- Much change is required:
  - Procuring cause is not going away (we don't think...), but it WILL change.



# 8.0 Contract Remix:

*Everything New & Misunderstood*

Paul Garver

Joe Fortunato

Lynn Madison

Chris Read



## 8.0 Contract Remix

- Drafting Process
  - Representation from signatories.
  - Review of submitted 7.0 comments.
- Copyright Enforcement: Recent Infringements
- Home Inspections
  - New definition of AS-IS.
  - Home inspection choices.
- Earnest Money
  - Necessary? Forfeitable?
  - Agent Reminders.



## 8.0 Contract Remix

- Seller Contribution to Buyer Broker Compensation
- Buyer Rep Agreement Issues
  - Must have compensation.
  - Cannot receive more compensation than listed in agreement.
- Negotiations between Buyer and Seller
  - Buyer asks, seller responds, not brokerage's decision.
  - “Minus Fees”
  - Contract states paid on “Purchase Price” not “Net.”
- Compensation Statements – BOTH SIDES
- Who gets a copy of Buyer Rep Agreement?
  - ...and who DOESN'T.



## 8.0 Contract Remix

- Approved Addendums
  - Addendum identification required on contract.
  - Brokers unauthorized to draft addendums.



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## After Parties



Tuesday, May 6

### Brokerage Forum

Setlist Overview

Featuring  
Chris Read

Rolling Meadows Campus &  
Livestream 9-11 a.m.

Tuesday, May 6

### Coffee & Conversation

The Law Day Debrief

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Livestream 9-10 a.m.

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