COOPERATIVE HOUSING
QUARTERLY

A member service of the National Association of Housing Cooperatives FALL 2026

CONTENTS

NAHC's 66th Annual Conference: Where Learning Steps Out with Cooperative Pride
4

HUD Narrows Requirements to Accommodate Emotional Support Animals
7

Potomac Association of Housing Cooperatives Celebrates 50 Years of Service
9

When an Employee is Harassed or Abused by a Non-Employee: What is the Employer to Do?
11

Report from Washington
13

Cooperative Pioneer, Four Living Heroes Named to Cooperative Hall of Fame
15

NCB Honors Andrew Reicher
17

Cooperative Calendar
18

PRESIDENT'S COLUMN

The Wheels of Cooperation

Working Together Toward Mutual Goals

According to data from Cooperative Housing International, there are more than 6,400 cooperative housing organizations in the United States, providing homes to between 1.2 and 1.5 million American families. The success of these individual organizations is imperative for our nation's housing stock to remain stable. Likewise, creating more housing cooperatives also is vital to the success of the cooperative housing model itself.

As we have seen, many organizations adopt the cooperative model to solve problems that cannot otherwise be resolved. Cooperation simply works — and for housing, cooperation often works better than other models.

...the housing cooperative model supports many benefits, including long-term affordability, community stability, and enhanced social well-being.

Research shows that the housing cooperative model supports many benefits, including long-term affordability, community stability, and enhanced social well-being. Success, however, depends heavily on a few key factors.

One of these is governance. Simply put, governance can be seen as a willingness of cooperators to get along with each other, which is necessary to get the job done. Good governance also requires hard work on the part of all who are involved. Members of successful cooperatives enjoy a sense of empowerment through the process of democratic control, and they can leverage the skills and knowledge of the entire cooperative community to tackle hard-to-solve problems.

No other housing model provides this level of involvement. However, with that involvement comes the weight of responsibility. For the wheels of cooperation to continue turning, good governance must be fully understood, top of mind, and embraced by all who occupy the board of directors' table. Unfortunately, sometimes the rancor that plagues our governmental politics also finds its way into the cooperative board room, tearing at the cohesiveness that makes cooperative business thrive.

We have seen what happens next: Elections become bitterly competitive, with destructive campaigns that cause division in the cooperative community. Board members make personal attacks against one another because they lack the skills of debate and compromise. Corruption through self-dealing can foster distrust of the cooperative and their fellow members, allowing alienation and apathy and eventually causing the cooperative to fail.

Returning to the cooperative Principles will address these critical issues. Specifically, focusing on the fifth Principle: Education, Training, and Information, will afford current and future board members a mutual point of departure and a shared commitment, easing the way to the success of the housing cooperative.

Every member should be introduced to all the cooperative Principles, including full exposure to the fifth. Training should not be delayed until a member is elected to the board; it should

Continued on page 3 >



Fred Gibbs
NAHC President

COOPERATIVE HOUSING
QUARTERLY

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NAHC
The National Association of Housing Cooperatives

About NAHC

The National Association of Housing Cooperatives is a nonprofit national federation of housing cooperatives, other resident-owned or controlled housing, professionals, organizations, and individuals interested in promoting cooperative housing communities. Incorporated in 1960, NAHC supports the nation's more than one million families living in cooperative housing by representing cooperatives in Washington, DC, and by providing education, service, and information to cooperatives.

Mission Statement

NAHC's mission is to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership.

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For addresses of all associations and committees, please email info@nahc.coop.

About Bostrom

Bostrom Corp. is the professional services firm managing National Association of Housing Cooperatives affairs. Paul Doggett serves as NAHC Executive Director.

▶ The Wheels of Cooperation
[continued from page 1]

begin with new member orientation and it should be ongoing.

Consider creating, with the guidance of your legal counsel, a policy that requires mandatory training of your cooperative members. For board members, this could start as a requirement for continued board service or participation on a committee. NAHC can tailor a training regimen that will give every member the opportunity to receive education, training, and information to increase their adoption of good governance practices.

NAHC is not the only governance training provider in the cooperative marketplace; however, our organization is uniquely qualified to adapt that training to the cooperative housing sector. Housing cooperators are consumers of the product/service of the cooperative. While this isn't unusual, the level of personal and emotional investment in cooperative housing is far greater than it is with other cooperative sectors because the cooperative business is also their home. The desire to protect the integrity of that investment should be front and center. Therefore, it is paramount that each member is involved in making certain the business is run well. This can best be accomplished when all members are adequately educated.

CALL TO ACTION

NAHC will provide an enhanced training schedule at the upcoming annual conference in San Juan, Puerto Rico. All housing cooperators are urged to attend this important opportunity to learn and share.

This is a call to action. NAHC will provide an enhanced training schedule at the upcoming annual conference in San Juan, Puerto Rico. All housing cooperators are urged to attend this important opportunity to learn and share. Don't simply select a few board members to attend. As your budget allows, bring as many members as possible; the investment is well worth it.

After the conference, NAHC can provide on-site training offering a variety of classes. Please remember: Cooperative ignorance is a choice. Choose success. Choose good governance. Choose to keep the cooperative wheels turning. CHQ

NAHC
The National Association of Housing Cooperatives

BOARD TRAINING SEMINAR

ROLES, RISKS & REWARDS

The 3Rs for Cooperative Boards

Roles, Risks and Rewards—The 3Rs for Cooperative Boards is a six-hour, in-person, seminar that will build your cooperative knowledge and show you how to work together as a board. The 3Rs seminar assists board members in developing excellence in governance right at their own cooperative!

Who should participate?

Housing cooperative board members, management and anyone interested in cooperative governance.

Download the information sheet and complete the application available on the NAHC website. Contact the NAHC office with any questions via info@nahc.coop or phone at 202.727.0797.





NAHC'S 66TH ANNUAL CONFERENCE

Where Learning Steps Out with Cooperative Pride

Housing cooperatives rely on the knowledge and skills of their leaders: the volunteers who serve on their boards and committees, as well as the managers, attorneys, CPAs, vendors, and other professionals who serve their communities. And those leaders know that NAHC's Annual Conference is an excellent place to update their knowledge, hone those skills, and build lasting relationships with others who share their commitment to cooperative Principles.

Beginning November 4, NAHC's 66th Annual Conference, offers a full schedule of General and Breakout Sessions, Keynote Speaker, Exhibit Hall, and Welcome Reception and Luncheons, including the popular "Strut Your Stuff" Cooperative Pride Luncheon. The Annual Conference is preceded by the two-day Registered Cooperative Manager (RCM) course, Monday, November 2 and Tuesday, November 3, and closes with the election and meeting of NAHC's Board of Directors on Saturday, November 7.

NAHC's 66th Annual Conference is headquartered at the beachfront Wyndham Grand Rio Mar Rainforest Beach and Golf Resort. Sited between the El Yunque Rainforest and the northeastern Caribbean Sea, and just miles from San Juan, the hotel is an ideal venue for learning and sharing while enjoying Puerto Rico's rich island scenery, culture and cuisine.

NAHC's reserved room block at the Wyndham is sold out, but accommodations presently are available at the hotel's regular rates. For information, go to https://www.wyndhamriomar.com/. Rooms also are available at a special rate of $205 per night plus taxes and fees at the Fairfield by Marriott Luquillo Beach, 110 Seaside Drive, Luquillo, Puerto Rico, 00773, about eight miles (a 15-minute drive) from the Wyndham Grand Rio Mar. For reservations, go to https://www.marriott.com/reservation/rateListMenu.mi



SCHEDULE

66TH ANNUAL CONFERENCE
NAHC 2026
San Juan
Puerto Rico
November 4-7

Pre-Conference Registered Cooperative Managers (RCM) Training

As in previous years, our 66th Annual Conference will be preceded by training for candidates working to become RCMs (Parts I and II) or to fulfill Recertification and Ethics requirements for current RCMs (Part III).

MONDAY, NOVEMBER 2

9:00 am–5:00 pm	RCM Course, Parts I and II

TUESDAY, NOVEMBER 3

9:00 am–12:00 pm	RCM Course, Part II
1:00 pm-12:00 pm	Lunch Break
1:00 pm–5:00 pm	RCM Recertification and Ethics Course, Part III

ANNUAL CONFERENCE

WEDNESDAY, NOVEMBER 4	11:00 am–6:00 pm	Conference Registration
	1:00 pm–5:00 pm	NAHC Board of Directors Meeting
	5:00 pm–6:00 pm	Orientation for First-time Attendees
	6:00 pm–7:00 pm	Opening Reception
THURSDAY, NOVEMBER 5	8:00 am–5:00 pm	Conference Registration
	8:30 am–10:30 am	Opening General Session, Awards Presentation and Keynote Speaker
	8:30 am–5:00 pm	Exhibit Hall Open
	10:45 am–12:15 pm	Concurrent Breakout Sessions
	12:15 pm–1:45 pm	Luncheon
	2:00 pm–5:15 pm	Concurrent Breakout Sessions
FRIDAY, NOVEMBER 6	8:30 am–2:00 pm	Conference Registration and Exhibit Hall Open
	9:00 am–12:15 pm	Concurrent Breakout Sessions
	12:15 pm–1:45 pm	Strut Your Stuff Cooperative Pride Luncheon
	2:00 pm–5:15 pm	Concurrent Breakout Sessions
	5:15 pm–5:45 pm	Candidates Forum: Meet Your Board Candidates
	5:45 pm–6:30 pm	Member Association Caucuses
SATURDAY, NOVEMBER 7	8:30 am–9:30 am	Ballot Pickup and Elections
	9:30 am–11:00 am	Annual Meeting of Members
	11:00 am–12:00 pm	NAHC Board of Directors Meeting

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HUD Narrows Requirements to Accommodate Emotional Support Animals

By Pamela Jonah, Matthew Gaines, and Thomas Aylesworth

For decades, federal law has been understood to protect emotional support animals as a reasonable accommodation in housing where pets are otherwise restricted, including community associations. That assumption is now in peril. On May 22, the US Department of Housing and Urban Development (HUD) issued a memorandum with new guidance that significantly narrows when an animal may qualify as a reasonable accommodation under the Fair Housing Act.

> **"an animal that is individually trained to do work or perform tasks for the benefit of an individual with a disability including a physical, sensory, psychiatric, intellectual, or other mental disability."**

Titled Enforcement Guidance Assessing Requests for the Use of an Animal as a Reasonable Accommodation under the Fair Housing Act, HUD's memorandum states that "effective immediately," HUD requires a reasonable accommodation only for animals trained to provide disability-related assistance. HUD explained that "an entire industry has emerged to convert pets into emotional support animals," and stated that the agency had not intended its earlier, broader, guidance to be treated by courts as requiring the allowance of emotional support animals.

HUD further stated that the proper definition of a qualified "service animal" is the one used in the Americans with Disabilities Act (ADA): "an animal that is individually trained to do work or perform tasks for the benefit of an individual with a disability including a physical, sensory, psychiatric, intellectual, or other mental disability." Untrained emotional support animals do not qualify.

HUD's prior policy requiring accommodations for emotional support animals was mandatory only for public housing that received HUD subsidies. Nevertheless, it was relied upon as persuasive authority and broadly applied by courts to private housing under the federal Fair Housing Act. As such, for the past several years, the general rule has been that housing cooperatives must allow not only service animals but also emotional support animals.

Going forward, the availability of accommodations for emotional support animals will likely depend on the law and court or agency decisions of the state in which a housing discrimination claim is brought. Those protections vary significantly from one state to another.

HUD's new guidance could mark a meaningful shift in how requests for emotional support animal accommodations are evaluated. The prior guidance, as broadly applied by the courts, set a relatively low threshold and invited misuse by persons seeking to avoid pet restrictions. The revised approach could prompt broader reform by reserving accommodations for disabled persons who satisfy a more clearly defined standard and are not merely seeking to circumvent pet restrictions. CHQ

Pamela Jonah, Matthew Gaines, and Thomas Aylesworth are attorneys with the law firm of Marcus, Errico, Emmer and Brooks, Braintree, MA.
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Registered Cooperative Manager (RCM) Program

Earn your certificate to become a Registered Cooperative Manager (RCM) and take part in a program that's setting the standards for professionals throughout the industry.The RCM curriculum is open to cooperative property managers and to cooperative Board Members (education only), wishing to understand and gain further knowledge of cooperative management. To register, email Paul Doggett at pdoggett@nahc.coop and our team will follow up.

NAHC

Bath Fitter® and NAHC are a perfect fit!

Cooperatives and their members are able to enjoy a partnership relationship with Bath Fitter, the tub and shower renovation experts.

Details of the program are now available. Meanwhile, Bath Fitter has provided this preview:

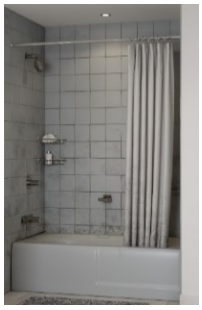
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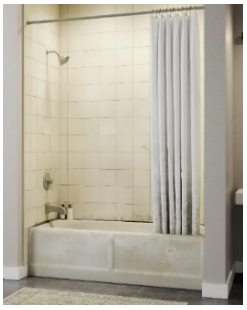
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BEFORE



AFTER - TUB OVER TUB



BEFORE



AFTER – TUB TO SHOWER CONVERSION



Potomac Association of Housing Cooperatives Celebrates 50 Years of Service

By Annie Hill

Potomac Association of Housing Cooperatives (PAHC) was founded in 1976 by representatives from 13 housing cooperatives and one condominium association. Created to provide continuing education, leadership development, and mutual support for cooperative board members and residents, PAHC serves Maryland, the District of Columbia, and Virginia as an active regional affiliate of the National Association of Housing Cooperatives (NAHC).

Cooperative communities flourish when members understand cooperative principles, governance, financial management, and their shared responsibilities.

Serving a Growing Movement

Beginning in the late 1960s and continuing through the 1970s, the development of affordable housing cooperatives experienced an unprecedented expansion across the United States. While cooperative homeownership had long been an established model in New York City, its growth throughout the country accelerated following the introduction of Federal Housing Administration (FHA) mortgage insurance programs. These programs enabled housing cooperatives to obtain mortgage insurance covering 97 percent to 100 percent of total development costs.

In addition, newly constructed or substantially rehabilitated cooperatives serving households earning 80 percent or less of the Area Median Income became eligible for interest-rate subsidies, and, later, direct payment assistance for qualifying cooperative members. These federal initiatives allowed organizations such as the Cooperative Housing Foundation (CHF) to develop thousands of affordable, member-owned housing units nationwide within a relatively short period.

Cooperative Growth in the Mid-Atlantic Region

During this period, the Mid-Atlantic region became one of the most active areas for cooperative housing development. CHF sponsored numerous successful communities that continue to thrive today.

Baltimore City experienced a period of urban renewal in the 1970s. The City's Housing Department embraced resident ownership through cooperative housing by providing Community Development Block Grant funding to assist in the creation of conventionally financed cooperatives.

Need for Continuing Education

Those involved in sponsoring and developing these cooperatives soon recognized that one of the most important factors in their long-term success was ongoing education and leadership training. Cooperative communities flourish when members understand cooperative principles, governance, financial management, and their shared responsibilities.

Recognizing the importance of cooperative members supporting fellow cooperative members, a group of dedicated leaders came together in 1976 to establish PAHC. Few could have imagined that 50 years later, the organization would continue to provide quality education, guidance, advocacy, and support to cooperative communities throughout the region.

The Founding Leadership

The organizing group included representatives from twelve housing cooperatives and one condominium association — Hillcrest Condominium in Prince George's County.

The founding committee consisted of:

- Peter Behringer
- Bill Strode
- Jim Brown
- George Arrington of Multi-Family Housing Services
- Mildred Armstead of Washington Hill
- Myrine E. Buford of Reservoir Hill
- Victor Hobson of Pickwick Square
- Clarence Robinson of Pickwick Square
- Walter Dodd of River Walk
- Jean Minor of Fox Hill
- Ed Jesse, CPA, who provided accounting and tax assistance to numerous cooperatives



Anne Hill is president of the Potomac Association of Housing Cooperatives.

▶ PAHC [continued from page 9]

Peter, Bill, Jim, and George were all representatives of Multi-Family Housing Services. Additional founding members may be added as historical records become available.

Peter Behringer served as PAHC's first President, with George Arrington serving as Vice President and Jean Minor serving as Secretary. Following the first year of operation, Myrine E. Buford became President, succeeded later by Jean Minor.

Still Committed, Still Serving

Over the years, PAHC has grown beyond its educational role, playing an active role nationally through its affiliation with the National Association of Housing Cooperatives (NAHC). PAHC members have served on interim Boards of Directors, provided new-member orientation, and conducted extensive leadership training to help establish strong, self-governing communities.

A FOUNDING MEMBERS REFLECTION
by Peter Behringer

> **"I am pleased to have been a founding member of this organization, and I am honored to have remained an active participant throughout the years. Watching PAHC continue its mission of educating, supporting, and strengthening its cooperative communities has been one of the great privileges of my professional life."**

A Lasting Legacy

Today, PAHC has remained committed to its founding principles and expanded them to meet the needs of a thriving cooperative movement. What began as a vision shared by a small group of cooperative leaders, has evolved into a respected regional organization that continues to strengthen housing cooperatives throughout Maryland, the District of Columbia, and Virginia.

As PAHC recently celebrated its 50th Anniversary, it honors the vision of its founders and the countless volunteers, board members, professionals, and cooperative residents whose commitment has preserved and advanced the cooperative housing movement for future generations. CHQ



Serving Our Purpose, Meeting Our Goals

PAHC was founded to address the unique legal, financial, administrative, and governance challenges faced by housing cooperatives — challenges that differ significantly from those encountered by traditional single-family homeowners or condominium associations. To fulfill this mission, PAHC strives to:

- **ESTABLISH** standards for the operation of housing cooperatives that ensure maximum long-term benefits for its owner-occupants;
- **DEVELOP** programs and services that strengthen and improve member organizations and other housing cooperatives;
- **PROMOTE** education through semiannual training conferences, workshops, and the Annual Membership Meeting;
- **ENCOURAGE** leadership development and sound cooperative governance;
- **PROMOTE** self-help initiatives among cooperative members;
- **SERVE AS A CLEARINGHOUSE** for the exchange of information, resources, and best practices among housing cooperatives;
- **FORMULATE** programs that advance the common interests of cooperative housing consumers;
- **SPEAK AND ACT** on behalf of member organizations in matters affecting their mutual interests;
- **ADVANCE** the cooperative housing movement as an effective means of providing affordable, resident-controlled housing;
- **INCREASE** public awareness and understanding of the benefits of cooperative housing.
- **PROMOTE** housing development through research, education, forums, sponsorship, and other appropriate initiatives; and
- **FOSTER** partnerships with regional and national organizations while keeping members informed through educational publications and newsletters.



WHEN AN EMPLOYEE IS HARASSED OR ABUSED BY A NON-EMPLOYEE

What is the Employer to Do?

By Kerry Lee Morgan, Esq.

Office, maintenance, or other employees of many housing cooperatives or their management companies interact daily with shareholders and members, guests, visitors, and other non-employees. If any cooperative or management company employee experiences racially hostile, sexually harassing, or other discriminatory conduct from a non-employee, the cooperative or management agent should take notice, even though such non-employees are not agents of the cooperative or manager.

Know What the Courts Say in Your State

First and foremost, the employer must determine whether it is liable under Title VII of the Civil Rights Act of 1964 for a hostile work environment created by a third party.

Until August 2025, federal circuits largely agreed on the answer. Most courts, following Equal Employment Opportunity Commission (EEOC) guidance, applied a negligence standard: an employer is liable if it knew or should have known of the harassment and failed to take prompt and appropriate corrective action. However, the Sixth Circuit's decision in Bivens v. Zep, Inc., 147 F.4th 635 (6th Cir. 2025), changed that landscape for Kentucky, Michigan, Ohio, and Tennessee. In those states, liability now requires proof that the employer itself intended harassment — either by desiring it or by acting with substantial certainty that harassment would result.

Cooperative boards and management agents must therefore understand both standards and adjust their responses accordingly.

The Majority Negligence Standard

Title VII of the Civil Rights Act of 1964 prohibits discrimination in the terms, conditions, or privileges of employment because of race, color, religion, sex, or national origin. A hostile work environment exists when unwelcome conduct based on a protected characteristic is severe or pervasive enough to alter the conditions of employment and create an abusive working environment.

When the harasser is a supervisor or coworker, established agency rules and the *Faragher/Ellerth* framework apply (See *Faragher v. City of Boca Raton,* 524 U.S. 775 (1998); *Burlington Industries, Inc. v. Ellerth,* 524 U.S. 742 (1998). When the harasser is a member, customer, client, vendor, or other non-employee, most circuits treat the situation similarly to coworker harassment and impose a negligence duty. An employer is liable if it knew or should have known of the conduct and failed to take immediate and appropriate corrective action reasonably calculated to end it. The EEOC's regulation at 29 C.F.R. § 1604.11(e) reflects the same rule. The First, Second, Eighth, Ninth, Tenth, and Eleventh Circuits have applied versions of this negligence standard to non-employee harassment.

In these jurisdictions, when a cooperative that receives a credible complaint — for example, of repeated racial epithets from a shareholder directed at office or maintenance staff, or sexual propositions from a member's guest directed at staff — the cooperative must investigate, document, and use the tools available under its proprietary lease and house rules. Those tools typically include written warnings, notices of objectionable conduct, fines, restricted access to common areas, and, in serious cases, proceedings to terminate the proprietary lease. Failure to exercise the power the cooperative or management agent actually possesses can create liability under the negligence standard.

The Sixth Circuit's Intentional-Conduct Standard

In *Bivens,* a sales representative alleged that a client locked her in an office and propositioned her. She reported the incident; the employer reassigned the account. The Sixth Circuit held that Title VII imposes liability for non-employee harassment only when the employer itself intended the harassment. Intent exists if the employer desired harassment or was substantially certain that its own actions would produce it. Because customers and clients are not agents, vicarious liability is unavailable. Direct liability therefore requires the employer's own intentional discrimination.

The court expressly rejected both EEOC guidance and the majority approach of other circuits. Relying



Kerry Lee Morgan is "Of Counsel" to Pentiuk, Couvreur & Kobiljak, P.C. His chief areas of practice involve municipal law, employment discrimination, civil rights, labor law litigation, environmental law, educational policy and federal firearms law. Kerry has extensive experience in matters related to labor law, where he has worked zealously with municipal and business clients to resolve disputes.

▶ What is the Employer to Do? [continued from page 11]

in part on *Loper Bright Enterprises v. Raimondo,* 603 U.S. 369 (2024), it declined to defer to the agency's interpretive regulation. It also drew support from the Seventh Circuit's earlier analysis in *Dunn v. Washington County Hospital,* 429 F.3d 689 (7th Cir. 2005). The result is a higher bar for employees suing in the Sixth Circuit. An isolated incident of which the cooperative was unaware until after it occurred, followed by prompt remedial steps, will rarely meet the "desired or substantially certain" test. A pattern of known harassment that management continues to expose employees to — by repeatedly assigning the same staff member to an abusive shareholder without protective measures — could support a finding of substantial certainty. That means liability for the cooperative or management agent, or both.

For cooperatives, members and their invitees function like the "customer" in *Bivens*. They are not agents; the cooperative cannot simply fire them and often cannot easily exclude them. Under the Sixth Circuit rule, knowledge plus imperfect corrective action is no longer enough to hold the cooperative liable. Proof of the cooperative's own intentional creation or tolerance of the hostile environment is required.

Practical Implications for Cooperative Providers

The circuit split creates two different operating environments:

1. Outside the Sixth Circuit, Cooperatives remain under a negligence duty. Boards and management agents should:

MAINTAIN written anti-harassment policies that expressly cover conduct by members, tenants, and visitors;

TRAIN staff on clear reporting channels;

INVESTIGATE every complaint promptly; and

DOCUMENT both the investigation and the corrective measures taken. Corrective measures available under typical governing documents include formal notices, fines, access restrictions, and termination proceedings. Failure to use the authority the Cooperative actually possesses can be decisive under a negligence standard.

2. Inside the Sixth Circuit the legal exposure is narrower, but practical risk remains:
   - State and local anti-discrimination laws may impose broader duties.
   - A pattern of indifference can still supply the "substantial certainty" element.
   - Retaliation claims remain fully available: an employee who complains about member harassment and then suffers an adverse employment action retains ordinary Title VII and state-law protections.
   - Other theories — state-law negligent retention or supervision, or Fair Housing Act claims if the conduct also affects residents — may still apply.

Prudent Sixth Circuit Cooperatives should promptly contact competent legal counsel, investigate and respond, both to protect employees and to avoid creating a record that could later be characterized as intentional tolerance.

A Practical Response Protocol

Regardless of circuit, Cooperatives should follow a consistent, documented process when an employee complains about member or visitor misbehavior:

INTAKE AND DOCUMENTATION. Receive the complaint in writing or promptly reduce an oral complaint to writing. Record dates, times, locations, witnesses, and the precise language or conduct alleged. Assure the employee that retaliation is prohibited.

IMMEDIATE PROTECTIVE STEPS. Where feasible, adjust work assignments or schedules to reduce further contact while the investigation proceeds. In residential buildings this may mean reassigning staff away from a particular floor or entrance.

INVESTIGATION. Interview the complainant, the accused member or visitor (through counsel if appropriate), and any witnesses. Review surveillance footage, incident logs, or prior complaints involving the same individual. Maintain confidentiality to the extent consistent with a thorough inquiry.

CORRECTIVE ACTION WITHIN AUTHORITY. Issue a written warning or notice of violation under the proprietary lease or house rules. Escalate to fines, restricted access, or formal termination proceedings when the conduct is severe or repeated. Document every step and the reasons for the chosen remedy.

FOLLOW-UP WITH THE EMPLOYEE. Inform the complainant, without disclosing confidential details about the member, that the matter has been addressed and that further incidents should be reported immediately. Monitor for any signs of retaliation. Take prompt and appropriate corrective action.

POLICY AND TRAINING REINFORCEMENT. Ensure that both staff handbooks and membership materials clearly prohibit harassment of employees on protected bases and describe the consequences for violations.

PROMPTLY PLACE YOUR INSURANCE CARRIER ON NOTICE. Boards should also confirm that directors-and-officers and employment-practices liability insurance policies provide adequate coverage for third-party harassment claims, and that managing-agent agreements clearly allocate investigative and remedial responsibilities.

Summary and Conclusion

The cooperative form creates an inherent tension between the autonomy of shareholder-members and the cooperative's duty as an employer to provide a workplace free of unlawful harassment.

- Outside the Sixth Circuit that duty is measured by negligence: knowledge plus failure to act.
- Inside Kentucky, Michigan, Ohio, and Tennessee the measure is intentional conduct-desire or substantial certainty.

In both regimes the sound operational response is the same: take every employee complaint seriously, investigate promptly, exercise the corrective powers the governing documents confer, and create a contemporaneous record. Doing so protects employees, reduces legal exposure under whichever standard applies, and helps the cooperative maintain a functional residential community. The *Bivens* decision has made the legal stakes more circuit-dependent; it has not eliminated the managerial obligation to respond. CHQ

Housing Cooperatives Included in Housing Bill And Exempt from CTA Reporting Requirements

By Judy Sullivan



ON JULY 11, 2026, the 21st Century ROAD to Housing Act became law. This bill is expected to improve long-term housing affordability and expand housing supply. Thanks to the efforts of Representative Nydia M. Velasquez (D-NY), the measure also includes provisions to make housing cooperatives eligible for HUD programs.

The new bill modernizes HUD's HOME Investment Partnership Program and broadens eligible ownership structures. Under the updated HOME language, limited-equity housing cooperatives (LEHCs) and some shared equity co-op structures can qualify where the program previously focused on rental and traditional homeownership models. This means that HOME funds now may be used to develop and rehabilitate housing as well as to preserve limited equity cooperative conversions.

Under the ROAD to Housing Act, housing cooperatives now will be indirectly eligible for Community Development Block Grants (CDBGs) if they meet affordable housing community development criteria.

Several provisions of the Act make it easier to preserve affordable housing and convert existing housing into resident controlled structures that could help resident buyouts, tenant opportunity purchases, and cooperative conversions — options that could be especially helpful in high-cost markets.

In addition to Representative Velasquez, our cooperative community included the National Cooperative Business Association (NCBA), the National Cooperative Bank (NCB), and the Massachusetts and the California Housing Cooperative Associations, all of whom helped to ensure that housing cooperatives were included in this legislation.

Housing Cooperatives Exempted From CTA

On August 11, 2026, FinCEN issued a Final Rule that permanently exempted housing cooperatives from its onerous reporting requirements.

As previously reported, the federal Corporate Transparency Act (CTA) was enacted into law on January 1, 2021, as part of the National Defense Authorization Act. The CTA, which is now significantly cut back, aims to increase transparency in corporate ownership to combat money laundering, terrorist financing, and other financial crimes.

According to the law as enacted, many small entities, which previously included housing cooperatives with fewer than 20 employees and budgets under $5 million, were required to report their beneficial ownership information — for example, names, addresses and IDs of their board members — to the Financial Crimes Enforcement Network (FinCEN) at the time of their formation or registration. Entities also had to update the information regularly, especially if there were changes. Noncompliance with the requirements could result in fines of $500 per day and criminal penalties of $10,000 and up to two years in prison.

Although housing cooperatives and other U.S. entities have been exempted, CTA's reporting requirements remain in effect for other entities as some lawmakers continue to try to repeal the act altogether. CHQ



Judy Sullivan is NAHC's government relations representative. She also is the recipient of NAHC's Jerry Voorhis and Roger J. Willcox Awards.

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Cooperative Pioneer, Four Living Heroes Named to Cooperative Hall of Fame



Fannie Lou Hamer



Margaret Bau



Crystal Long

Historic civil rights leader and farm cooperative founder Fannie Lou Hamer was inducted this fall into the Cooperative Development Foundation's Cooperative Hall of Fame along with four of today's Cooperative Heroes: Margaret Bau, Crystal Long, Kevin Still, and Michael Toelle. All five were honored October 8 at an afternoon and evening of events, including a Hall of Fame Banquet and Induction Ceremony at the Willard Hotel in Washington, DC.

Fannie Lou Hamer

Born into poverty in 1917 in Montgomery County, Mississippi, Fannie Lou Hamer became a powerful and fearless voice for civil rights, women's rights, and voting rights as well as an innovative contributor to the cooperative movement.

Praising Mrs. Hamer as a "formidable example of a cooperative founder," the CDF writes that she "put her considerable powers of persuasion and rhetoric to work on behalf of her neighbors and fellow cooperators" to found Freedom Farm Cooperative (FFC) in 1969 "with the aim of creating a self-sustaining farm providing food, employment, housing, and educational services for the people of rural Sunflower County, Mississippi." In time, the FFC became an "agricultural, educational, and manufacturing cooperative which fed and employed thousands of families in what was at that time one of the most profoundly food insecure areas in America," — all without federal support.

In addition to raising funding for a "pig bank," that grew more than 2000 pigs from a donation of 55, and facilitating the purchase of 700 acres of land for vegetable plots, the FFC coordinated FHA loans to build homes, and provided other social and human services.

Margaret Bau

From her home base at the United States Department of Agriculture (USDA) in Stevens Point, Wisconsin, Margaret Bau has made enduring contributions to many sectors of the cooperative movement across the United States.

Over her career, she incorporated more than 40 cooperatives, trained more than 500 cooperative specialists, and made presentations to more than 9,000 people at meetings and conferences in the U.S. and Canada.

Affirming her as "a national treasure," CDF says, "With expertise spanning from home care to social services to timber, grocery, and local foods, Margaret's approach combines thinking and doing, development and education…. she understands and can communicate both theory and practice to a wide variety of audiences. And when a leader with that kind of capacity is in a position to bring federal resources to support grassroots efforts, the result is real social impact."

Crystal Long

Longtime leader and advocate for the credit union movement, Crystal Long combined her considerable vision and skills with commitment to the principles and values of cooperation to provide underserved communities in Texas and New Mexico with access to the tools of financial wellbeing.

Joining the Greater El Paso Credit Union (GECU) as a file clerk, she rose through the organization, assuming the role of president and CEO in 2012. Under her leadership, GECU expanded its reach and assets; today it is one of the largest and strongest credit unions in Texas with $4.5 billion in assets and 28 branches serving 435,000 members. In 2002 and 2024, Forbes named GECU a Top Credit Union in the state. Thanks to a vote of its members, GECU is now a federally chartered credit union, able to serve additional underserved communities.

Ms. Long also was active in the National Credit Union Foundation's Credit Union Development Educator program and supported the development of future credit union leaders through the GECU Young Professionals program. In 2025, she was inducted into the Credit Union House Hall of Leaders. She retired at the end of April 2026.

 [continued from page 15]



Kevin Still

Kevin Still is President and CEO of Keystone Cooperative, Inc., an integration of nine cooperatives, and one of the nation's largest agricultural retailers with more than 2,000 employees.

According to CDF, "Today, Keystone provides essential services to over 20,000 farmer-members in Indiana, Ohio, Michigan, and Illinois, including agronomic services and inputs, refined fuels and propane, swine and animal nutrition, and grain marketing. ...Under Kevin's leadership, Keystone contributed a total of $1.4 million in 2025 to support agricultural education, food security, and farm and energy safety initiatives within rural communities."

Kevin also has served for 23 years on the Board of CoBank, which CDF describes as a "$210 billion institution serving the rural agricultural economy through a cooperative banking model." He also served with the National Council of Farmer Cooperatives, the National Foundation of Agribusiness Management Education and other organizations. In 2022, he received Purdue University's Certificate of Distinction.



Michael Toelle

Visionary farmer, business leader, and education advocate, Michael Toelle has been advancing the ideals of cooperation and service for more than forty years.

Merging his early experience working with Harvest States Cooperatives, with a later return to his family farm and service on the board of directors of his local cooperative, Mr. Toelle was elected to the board of the energy company Cenex, Inc. In that position, according to CDF, he was well-suited to serve as governance unification committee chair during the1998 merger of Cenex with Harvest States Cooperatives; that merger created CHS, Inc. — the largest US cooperative, a Fortune 100 company, and a global presence in agriculture and energy.

In April 2026, Mr. Toelle was elected chairman of the board of Nationwide Mutual Insurance Company, having served on that board since 2013. He is the owner of T&T Farms, a diversified farming company based in Brown's Valley, Minnesota. CHQ

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NCB Honors Andrew Reicher

Longtime advocate and innovator for affordable cooperative housing, Andrew "Andy" Reicher is this year's recipient of National Cooperative Bank's Stan Dreyer Spirit of Cooperation Award. Presented in May, the award honors people who exemplify the values and principles of the cooperative movement.

During his four-decade career as Executive Director of the Urban Homestead Assistance Board (UHAB), Andy was a consummate problem-solver, working with New York City government to reclaim distressed and tax-delinquent housing while providing residents with the knowledge, and tools — including accounting, legal, and other assistance — to give the buildings new life as cooperatives. According to UHAB, its Tenant Interim Lease (TIL) program enabled tenants in buildings owned by the city or tax-foreclosed to form associations to manage and then purchase their buildings as limited-equity cooperatives. Today, New York City has the largest community of shared-equity housing cooperatives in the country.



Andrew Reicher and Casey Fannon

Another of Andy's visions, The Sixth Principle Coalition, supports the spirit of cooperation among cooperatives, bringing together 165,000 units of limited equity cooperative housing, 40 organizations, and more than 100 practitioners nationally, according to UHAB. In 2021, Andy Reicher was inducted into the Cooperative Hall of Fame.

Andy Reicher served two terms as a director of NCB, recently completing a six-year term on the Board. In presenting the Spirit of Cooperation Award, NCB's president and CEO Casey Fannon noted Andy's leadership in advancing the development of new cooperatives, advocating for expanded federal support for cooperative housing, pursuing cost-saving solutions for member cooperatives facing rising insurance costs, and connecting NCB with cooperative developers and CDFIs nationwide.

"Thank you, Andy, for everything you have done for NCB and the broader cooperative community," said Fannon. CHQ



2026

National Association of Housing Cooperatives
NAHC's 66th Annual Conference
Wyndham Grand Rio Mar Rainforest Beach and Golf Resort
Rio Grande, Puerto Rico
For more information: www.NAHC.coop

NOVEMBER 8

Council of New York Cooperatives and Condominiums
CNYC's 46th Annual Housing Conference
Full-day event with plenary session and workshops, offered virtually
For more information: https://cnyc.com/page/housing-conference

DECEMBER 8

National Housing Conference
Solutions for Affordable Housing Convention
National Press Club, Washington, DC
For more information: https://cooperatornews.com/article/nhc-announces-solutions-for-affordable-housing-convention

2027

MAY 16–19

Midwest Association of Housing Cooperatives
2027 Annual Conference
Intercontinental New Orleans Hotel, New Orleans, Louisiana
For more information: https://www.mahc.coop/

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