

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: February 8, 2006

Time: Upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Vern Yamanaka, Chair/ Broker / Hawaii Commissioner
Carol Mae Ball, Vice Chair/ Broker / Maui Commissioner
Louis Abrams, Broker / Kauai Commissioner
Kathleen Kagawa, Broker / Honolulu Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Iris Okawa, Public / Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil K. Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Alicia Maluafiti, Hawaii Association of REALTORS®
Nicki Thompson, Hawaii Association of REALTORS®
Jeff Grad
Ralph Foulger

Call to Order: Chair Yamanaka called the meeting to order at 9:31 a.m., at which time quorum was established.

Chair's Report: No report presented.

Sr. Real Estate Specialist's Report: Announcements, Introduction, Correspondence, and Additional Distribution
Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to add the following to the agenda:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
d. Elective Courses – Evaluations – “New Condominium Law in Hawaii”

5. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency
 - b. Applications
 - 1) School – Leeward Community College – OCEWD; Principal: Michael Tagawa; Salesperson and Broker Curricula
 - 2) Instructor – Trudy Nishihara; Leeward Community College – OCEWD (pending approval); Salesperson and Broker Curricula
 - 3) Guest Lecturer – Glenn Nishihara; Leeward Community College – OCEWD (pending approval)
 - 4) Guest Lecturer – John M. Ohama, Leeward Community College – OCEWD (pending approval)
 - 5) Guest Lecturer – Scott T. Fujiwara; Leeward Community College – OCEWD (pending approval)

The following was distributed as additional distribution:

5. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency
 - d. Salesperson’s Curriculum – Handouts – Final
6. Administration of Examinations
 - a. Promissor
 - 1) Licensing Examination Statistics
12. Budget and Finance Report

Minutes

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to accept the minutes of the January 11, 2006, Education Review Committee meeting as distributed.

Continuing Education: Applications

Course – “Missed Fortune – Dispel 23 Misconceptions About Equity & Tax Laws that Govern Real Estate Sales;” Author: Douglas R. Andrew, Paramount Financial Services, Nicolette Farnworth; Provider – Pending; course Categories: Investment , Real Estate Law, Finance, Property Ownership and Development, Risk Management; Clock Hours: 3

Upon the request of the applicant, decision making on this application was deferred to the meeting scheduled on March 8, 2006.

Course – “Understanding the 1031 Tax-Deferred Exchange;” Author/Owner/Provider: Kona Board of REALTORS®; Course Categories: Investment, Finance, 1031 Exchange; Clock Hours: 3

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of “Understanding the 1031 Tax-Deferred Exchange” as a three clock hour continuing education elective course, under the course categories Investment, Finance, and 1031 Exchange.

Course – “Cover Your Assets: Property Managers Guide to Federal & State Regulations;” Author/Owner/Provider: Kona Board of REALTORS®; Course Categories: Property Management, Risk Management; Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of “Cover Your Assets: Property Managers Guide to Federal & State Regulations” as a three clock hour continuing education elective course, under the course categories Property Management and Risk Management.

Provider – Ralph Foulger’s School of Real Estate; Ralph Foulger, Administrator

Upon a motion by Commissioner Kagawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of Ralph Foulger’s School of Real Estate as a continuing education provider.

Elective Courses

Evaluations – “New Condominium Law in Hawaii”

Evaluations of the continuing education elective course “New Condominium Law in Hawaii” held on January 31, 2006, were distributed to the Commissioners for their information.

At this time, Commissioner Nishihara inquired if instructors should be voicing personal opinions when instructing. She noted that condominium recodification education is important and people should understand how the law is written; however, when instructors interject personal comments and opinions it confuses the audience. Is this something the Commission should condone?

Commissioner Ball stated that in some cases, interjecting personal opinions may add a depth of understanding to the discussion, unless it is presented in a confusing way.

SEO Kimura added that personal opinions should not contradict the law.

Commissioner Nishihara stated that this particular instructor commented on how one can circumvent the law.

Commissioner Nishihara inquired what the position of the Commission is regarding CE instructors who may not be teaching properly, and what becomes of the evaluations?

Senior Specialist Fujimura replied that the evaluations are brought to the attention of the provider and the provider is responsible to contact the instructor and advise the instructor of the comments received. In this case, Staff will follow through and forward a summary of the evaluation comments to the provider.

Commissioner Nishihara added that the instructor is a reflection of the provider.

Commissioner Loudermilk stated that she was neutral/borderline in her evaluation of the course—overall the course was “ok”, but there were errors in some of the materials presented.

Commissioner Okawa stated that the Commissioners who took the time to attend this course should be commended, and their feedback is important.

SEO Kimura added that the provider needs to be informed of the continuing education requirements, for example ID checks, sign-in sheets, etc. He noted that we are one of the few states that require an ID check. The reputation of this provider has been good nationwide, but they need to be informed if they are to continue to provide continuing education in Hawaii.

Prelicensure Education: Administrative Issues

Evaluations – Independent Study

Copies of evaluations of independent study courses from the following prelicense schools were distributed to the Commissioners for their information:

1. Seiler School of Real Estate
2. Abe Lee Seminars

Commissioner Nishihara excused.

Applications

School – Leeward Community College – OCEWD; Principal: Michael Tagawa; Salesperson and Broker Curricula

Upon a motion by Commissioner Kagawa, seconded by Commissioner Ball, it was voted on and unanimously carried to recommend approval of Leeward Community College – OCEWD as a prelicense school offering the salesperson and broker curricula.

Instructor – Trudy Nishihara; Leeward Community College – OCEWD (pending approval); Salesperson and Broker Curricula

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of Trudy Nishihara as a prelicense instructor for the salesperson and broker curricula.

Guest Lecturer – Glenn Nishihara; Leeward Community College – OCEWD (pending approval)

Upon a motion by Commissioner Abrams, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of Glenn Nishihara as a prelicense guest lecturer.

Guest Lecturer – John M. Ohama, Leeward Community College – OCEWD (pending approval)

Upon a motion by Commissioner Abrams, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of John M. Ohama as a prelicense guest lecturer.

**Guest Lecturer – Scott T. Fujiwara; Leeward Community College – OCEWD
(pending approval)**

Upon a motion by Commissioner Abrams, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of Scott T. Fujiwara as a prelicense guest lecturer.

Commissioner Nishihara returns.

Salesperson's Curriculum

Handouts – Final

Upon a motion by Commissioner Nishihara, seconded by Commissioner Abrams, it was voted on and unanimously carried to recommend approval of the last three handouts to accompany the revised salesperson's 60-hour curriculum: HARPTA/FIRPTA, Property Management Basics, and Condominium Documents for Buyer's Review.

Other

All Islands Real Estate School, Principal: Carol Egan, Instructor: Ralph Foulger

Senior Specialist Fujimura reported that it was brought to Staff's attention that All Islands Real Estate School was allowing out-of-state students taking only the Hawaii State portion of the real estate licensing exam to attend just two days of a scheduled 10-day salesperson course, pay a discounted tuition, and still receive the school completion certificate. A letter requesting response was sent to Carol Egan, Principal. Ms. Egan responded and indicated that this practice will cease immediately.

Senior Specialist Fujimura stated that this matter has been referred to the Regulated Industries Complaints Office.

Administration of
Examinations:

Promissor

Licensing Examination Statistics

Examination statistics for December 2005 were distributed to the Commissioners for their information.

Examination statistics for January 1 through December 31, 2005 were distributed to the Commissioners for their information.

Commissioner Ball voiced her concern of the low passing percentage in the sales examination. SEO Kimura stated that sales pass percentage has always been 70% of all first time takers and broker pass percentages has always been low.

At this time, Senior Specialist Fujimura reported that due to a software defect Promissor has pushed back the publication date of the broker exam from February 1, 2006 to February 15, 2006.

December 2005 School Summary Reports

A copy of the December 2005 performance summary report, by school, was distributed to the Commissioners for their information. The report is derived from statistics for first time test takers.

Pearson VUE Purchase

A copy of an announcement reporting that Pearson VUE, the electronic testing business of Pearson plc, has signed a contract with Houghton Mifflin to acquire Promissor, Inc. was distributed to the Commissioners for their information.

Hilo Test Center

Promissor has opened a new test center in Hilo. The reporting address is: Hilo High School, 556 Waiuanue Avenue, Room C215, Hilo, Hawaii 96720. This center will be testing every Tuesday and Thursday from 5:00 p.m. to 9:00 p.m.

Educator's Forum: **Hawaii Association of REALTORS®** – No discussion presented.

Hawaii Association of Real Estate Schools (HARES) – No discussion presented.

Public and Private Institutions of Higher Education – No discussion presented.

Program of Work: Annual Report, Quarterly Bulletin, and School Files

Bulletin

Senior Specialist Fujimura reported that the February 2006 issue of the *Bulletin* is currently at the printer and will be distributed shortly. The *Bulletin* can also be viewed on our web site: www.hawaii.gov/hirec.

School Files

Senior Specialist Fujimura reported that the February 2006 issue of *School Files* will be distributed shortly. The *School Files* can also be viewed on our web site: www.hawaii.gov/hirec.

Neighbor Island Outreach and Real Estate Specialists' Office for the Day

The next neighbor island outreach will be held on May 10, 2006, in the Campus Center Conference Rooms 306/307, University of Hawaii – Hilo, 200 West Kawili Street, Hilo. The Laws and Rules Review Committee meeting will convene at 9:30 a.m., to be followed by the Education Review Committee meeting and the Condominium Review Committee meeting. The Real Estate Specialist's Office for the Day will be held in conjunction with this event.

Education Evaluation Task Force

Report 1/26/06 meeting

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of EETF recommendations:

- 1) Approve the last three handouts to accompany revised salesperson's 60-hour curriculum.
- 2) Beginning with the 2007-2008 licensing biennium, the salespersons and brokers curricula will be taught separately as the intent is to continue to develop and fine-tune the two curricula as separate courses.
- 3) A Request for Proposals be developed for the 2007-2008 Commission Core Course which will include a law and/or ethics update and any combination of approved topics.
- 4) The core course hours will be 3 hours instead of 4 hours, and will be required on an annual basis. Licensees will take the core course each year of the biennium and will need to take either two 3-hour elective courses or one 6-hour elective course to meet the 10 hours mandatory CE for active license renewal. The licensee will end up with a total of 12 hours of CE, which will meet the 10 hour requirement. This is subject to further review of Chapters 467, Hawaii Revised Statutes, and 99, Hawaii Administrative Rules.

ARELLO, REEA and
Other Organizations:

ARELLO Digest – Continuing Education Requirements of North American Jurisdictions

A comparison chart of the number of continuing education hours licensees are required to earn within each licensing period for selected North American jurisdictions was distributed to the Commissioners for their information.

Oregon – CE Requirements and Post-licensing Education for Brokers

A copy of an article from the December 2005 issue of the *Oregon Real Estate News-Journal* explaining Oregon's continuing education and post-licensing requirements for real estate brokers was distributed to the Commissioners for their information.

Tennessee – CE Requirements for Active and Inactive Licensees

A copy of an article from the Winter 2005 issue of the *Tennessee Real Estate News-Journal* explaining Tennessee's continuing education requirements was distributed to the Commissioners for their information.

Nevada – Prelicensing Education Requirements

A copy of an informational notice outlining Nevada's real estate licensing requirements was distributed to the Commissioners for their information.

Open Forum:

Ralph Foulger inquired if Promissor could come up with a way to evaluate instructors. Mr. Foulger noted that a prelicense instructor may teach for more than one school and Promissor evaluates the school, not the instructor. Coming up with a way to evaluate the instructor will greatly influence the grade the schools are getting.

Nicki Thompson reported that the Hawaii Association of REALTORS® is currently negotiating with Lynn Madison to offer six classes at the end of May or early June.

Budget and Finance Report: **Budget and Finance Report**

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to recommend approval of the Real Estate Education Fund report for period ending December 31, 2005.

Next Meeting: Wednesday, March 8, 2006
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:00 a.m.
King Kalakaua Building
Queen Liliuokalani Room
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Yamanaka adjourned the meeting at 10:08 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura
Diane Choy Fujimura
Senior Real Estate Specialist

March 8, 2006
Date

[X] Minutes approved as is.
[] Minutes approved with changes, see minutes of _____.