

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: April 12, 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: 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: Myoung Oh, Hawaii Association of REALTORS®

Absent: Vern Yamanaka, Chair/ Broker / Hawaii Commissioner

Call to Order: Vice Chair Ball called the meeting to order at 10:55 a.m., at which time quorum was established.

Chair's Report: No report presented.

Sr. Real Estate Specialist's Report: Minutes
Upon a motion by Commissioner Kuriyama, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to accept the minutes of the March 8, 2006, Education Review Committee meeting as distributed.

Continuing Education: Administrative Issues

New Salesperson Licensees

A report on the number of new salesperson licensees for February 2006 was distributed to the Commissioners for their information. The total number of 176 new salesperson licensees reflects the number of licensees who are deemed as having completed the 10 hour continuing education requirement, pursuant to Section 16-99-89(c), Hawaii Administrative Rules.

Continuing Education Statistics – FY06, 3 Qtrs.

A copy of continuing education statistics for the first three quarters of fiscal year 2006 was distributed to the Commissioners for their information.

Applications

2005-2006 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Okawa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve the ratification of the attached list.

Course – “Discover, Disclosure, Damages, Defendants: Daily Decisions 2006;” Author/Owner: Oliver E. Frasca, Esq.; Provider: Kauai Board of REALTORS®; Course Categories: Risk Management; Clock Hours: 3

Senior Specialist Fujimura reported that decision making on this application was deferred from the previous meeting. She reported that reference has been made and materials have been added for Chapter 508D, Hawaii Revised Statutes—Mandatory Seller Disclosures in Real Estate Transactions.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of “Discover, Disclosure, Damages, Defendants: Daily Decisions 2006” as a three clock hour continuing education elective course under the course category Risk Management.

Course – “Commercial Leases;” Author/Owner: CLE International; Provider: CLE International (subject to approval); Course Category: Real Estate Law, Contracts; Clock Hours: 3

Commissioner Loudermilk stated that she has concerns that this course teaches/covers materials that should be done by an attorney and it may be construed as practicing law without a license.

Commissioner Okawa stated that the materials are complete and good, but individuals should consult an attorney when drafting leases—a caveat informing students to consult an attorney should suffice.

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of “Commercial Leases” as a three clock hour continuing education elective course under the course category Real Estate Law, subject to the addition of a caveat informing students to consult an attorney when drafting commercial leases.

Provider – CLE International; Mark Rackley, Administrator

Upon a motion by Commissioner Okawa, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of CLE International as a continuing education provider.

Course – “Property Pricing and Value Analysis;” Author/Owner: ProSchools, Inc.; Provider: Vitousek Real Estate School; Course Category: Other - Appraisal; Clock Hours: 6

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of “Property Pricing and Value Analysis” as a six clock hour continuing education course under the course category Other - Appraisal.

Course – “Real Estate Finance Today;” Author/Owner: Dearborn Real Estate Education; Provider: Vitousek Real Estate School; Course Category: Finance; Clock Hours: 3

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of “Real Estate Finance Today” as a three clock hour continuing education course, under the course category Finance.

Course – “Property Management and Managing Risk;” Author/Owner: Dearborn Real Estate Education; Provider: Vitousek Real Estate School; Course Categories: Property Management, Risk Management; Clock Hours: 3

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of “Property Management and Managing Risk” as a three clock hour continuing education elective course under the course categories Property Management and Risk Management.

Course – “Real Estate & Taxes: What Every Agent Should Know;” Author/Owner: Dearborn Real Estate Education; Provider: Vitousek Real Estate School; Course Category: Other – Taxes; Clock Hours: 3

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of “Real Estate & Taxes: What Every Agent Should Know” as a three clock hour continuing education elective course under the course category Other – Taxes.

Provider – Kingman Winslow First American School; Marianne Kingman, Administrator

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend approval of Kingman Winslow First American School as a continuing education provider.

Course – “Tax Savvy Tips and Costing Myths for Real Estate Agents – Parts I & II;” Author/Owner/Pending Provider: Kingman Winslow First American School; Course Categories: Finance, Other – Taxes; Clock Hours: 6

Commissioner Loudermilk was concerned that this course did not fall within the continuing education course guidelines.

Senior Specialist Fujimura stated that the course does not emphasize consumer protection as required in Hawaii Administrative Rules, Section 16-99-100(a)(1). However, the content is similar to the previous course recommended for approval “Real Estate & Taxes: What Every Agent Should Know”—the materials are not vastly different, some of the topics are similar, but the overall course content is presented with a different emphasis and different approach.

Commissioner Loudermilk stated that there is a big difference, as this course includes a topic on how to avoid an IRS audit. Commissioner Kuriyama agreed and stated that this course is geared towards the business of the agent.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to recommend denial of “Tax Savvy Tips and Costing Myths for Real Estate Agents – Parts I & II” based on Section 16-99-101(7), Hawaii Administrative Rules.

Evaluation and Education Program

REALTORS® Association of Maui, Inc., “Real Estate Law Review and Update 2005-2006;” Instructor – Michael Yesk

A copy of a letter sent to the REALTORS® Association of Maui (RAM) regarding the evaluation of the Real Estate Law Review and Update 2005-2006 class offered on February 27, 2006, by RAM and instructed by Michael Yesk was distributed to the Commissioners.

Senior Specialist Fujimura stated that there were an unusually large amount of negative comments which triggered this letter to RAM. RAM administrators have spoken and written to Mr. Yesk regarding the comments. She stated that RAM is very vigilant and is confident that this will not occur again.

Hogan School of Real Estate, “Real Estate Law Review and Update 2005-2006;” Instructors – Jim Hogan and Curtis Hall

A copy of an evaluation of the Real Estate Commission core course completed by a Commission authorized monitor was distributed to the Commissioners for their information.

Prelicense Education: Administrative Issues

Prelicense Education and Equivalency Statistics – FY06, 3 Qtrs.

Prelicense education and equivalency statistics for the first three quarters of fiscal year 2006 was distributed to the Commissioners for their information.

Evaluation and Education Program

**Abe Lee Seminars; Salesperson Independent Study On-Line (2)
Seiler School of Real Estate; Salesperson Independent Study On-Line (4)
Vitousek Real Estate School; Salesperson Independent Study On-Line (1)**

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

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

Commissioner Okawa noted that there are comments that students were not pleased with Abe Lee Seminars' textbook. Senior Specialist Fujimura stated that she will contact Mr. Lee regarding these comments.

SEO Kimura added that currently there is no Hawaii specific manual and noted the possibility of speaking to vendors about creating a manual, or at some point providing a subsidy from the Real Estate Education Fund to create a manual. He stated that we are working on the program of work for fiscal year 2007 and this project could possibly be included.

Commissioner Nishihara voiced concerns about the comments regarding inaccuracies in Mr. Lee's manual and inquired if we should let this continue. Senior Specialist Fujimura stated that she will contact Mr. Lee and have it corrected.

Administration of
Examinations:

Promissor

SEO Kimura reported that he had a meeting with Promissor officials at the ARELLO meeting that he recently attended. He stated that Promissor is under new ownership. They went from a publishing based company to a testing based company.

SEO Kimura reported that Mr. Stephen Connelly will no longer be assigned to Hawaii and will move to an oversight role—more contact with applicants, test reservation system, etc. Mr. Ho Mun will be returning to handle Hawaii matters and be our contact person. SEO Kimura stated that he reminded Mr. Mun of our Maui test site concerns (proctor issues), as there is no permanent solution in place. At this point they are aware of our concerns and we will continue dialog with Promissor on this issue, as we want consistency and integrity of the exam process.

SEO Kimura stated that he hopes to get a better idea of the direction of Promissor—hopefully in June as he wants to set up a meeting at the annual REEA conference where issues such as item writing, Maui site issue, fingerprinting, background checks, databank, and pricing may be discussed.

Licensing Examination Statistics

Examination statistics for February 2006 were distributed to the Commissioners for their information.

Candidate Handbook – February 2006

The revised Candidate Handbook dated February 2006 was distributed to the Commissioners for their information.

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 – Summary of bids received for printing of Bulletin**

Senior Specialist Fujimura reported that informal bids were solicited for the printing of four issues of the real estate Bulletin. Six bids were solicited and five were received. A summary of the bids received was distributed to the Commissioners.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Okawa, it was voted on and unanimously carried to accept the bid submitted by Service Printers, Inc. of \$22,015.28 for the printing of up to four issues of the Bulletin.

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.

Program of Work, FY07

The Committee is working on the Program of Work for fiscal year 2007 and requests that all interested parties, including Commissioners, submit comments and recommendations on existing programs and proposals for new programs immediately. The goal is to finalize FY07 by the May 26, 2006 REC meeting or no later than the June 14, 2006 meetings for submission for approval by Licensing Administrator and Director.

ARELLO, REEA, and
Other Organizations:

Alaska Real Estate Commission Broker Manual

A copy of the Alaska Real Estate Commission Broker Manual which is distributed to licensees in Alaska who become principal brokers was distributed to the Commissioners for their information.

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Open Forum: None.

Next Meeting: Wednesday, May 10, 2006
Upon adjournment of the Laws and Rules Review Committee Meeting, which
convenes at 9:30 a.m.
University of Hawaii at Hilo Campus Center
200 West Kawili Street
Conference Rooms 306/307
Hilo, Hawaii

Adjournment: With no further business to discuss, Vice Chair Ball adjourned the meeting at
10:26 a.m.

Reviewed and approved by:

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

 May 10, 2006
Date

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

**2005-2006 CONTINUING EDUCATION PROVIDERS AND COURSES
RATIFICATION LIST**

EDUCATION REVIEW COMMITTEE

April 12, 2006

<u>Registration/Certification</u>	<u>Effective Date</u>
Course (s)	
“International Real Estate for Local Markets” (Nationally Certified Course/Hawaii Association of REALTORS®)	March 1, 2006
“The Code of Ethics-Your Promise of Professionalism” (Nationally Certified Course/Kauai Board of REALTORS®)	March 16, 2006
“Habitability” (Nationally Certified Course/Hawaii Association of REALTORS®)	March 30, 2006
“Community Ethics” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Contract” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Energy Resources” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Ethics of Sustainability” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Financial Calculations” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Home Inspection” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Human Land Use” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Meth Madness” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Pricing Property” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Real Estate Ethics” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Real Estate Math” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Tax Strategies for the Independent Contractor” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Water Resources” (ARELLO Certified Course/Americas Best)	March 28, 2006
“Work Smarter, Not Harder” (ARELLO Certified Course/Americas Best)	March 28, 2006