

GENERAL INFORMATION FOR REAL ESTATE LICENSE

Licensing Branch

Professional & Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

Telephone: (808) 586-3000

Access this form via website at: www.hawaii.gov/hirec

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This sheet contains "general" information **only**. Specific and detailed information regarding real estate licensing, registration, or certification can be found in the instruction and information sheet of all applications and at the Real Estate Commission's web page (see page 5).

APPLICANTS ARE SUBJECT TO REQUIREMENTS, FEES, AND APPLICATION FORMS IN EFFECT AT TIME OF FILING.

Note: One of the numerous legal requirements that you must meet in order for your new license to be issued is the payment of fees as set forth in this application. You may be sent a license certificate before the payment you sent us for your required fees is honored by your bank. If your payment is dishonored, you will have failed to pay the required licensing fee and your license will not be valid, and you **may not** do business under that license. Also, a \$25.00 service charge shall be assessed for payments that are dishonored for any reason.

Hawaii does not reciprocate with any other state or country.

GENERAL REQUIREMENTS

- Age** Be at least 18 years of age by the examination date.
- Citizenship** Be a United States citizen, a United States national, or an alien authorized to work in the United States by the examination date.
- Social Security Number** Your social security number is used to verify your identity for licensing purposes and for compliance with the below laws. **For a license to be issued you must provide your social security number or your application will be deemed deficient and will not be processed further.**
The following laws require that you furnish your social security number to our agency:
FEDERAL LAWS:
42 U.S.C.A. §666 (a)(13) requires the social security number of any applicant for a professional license or occupational license be recorded on the application for license; and
If you are a licensed health care practitioner, **45 C.F.R., Part 61, Subpart B, §61.7** requires the social security number as part of the mandatory reporting we must do to the Healthcare Integrity and Protection Data Bank (HIPDB), of any final adverse licensing action against a licensed health care practitioner.
HAWAII REVISED STATUTES ("HRS"):
§576D-13(j), HRS requires the social security number of any applicant for a professional license or occupational license be recorded on the application for license; and
§436B-10(4) HRS which states that an applicant for license shall provide the applicant's social security number if the licensing authority is authorized by federal law to require the disclosure (and by the federal cities shown above, we are authorized to require the social security number).
- Reputation** Possess a reputation for or record of competency, honesty, truthfulness, financial integrity and fair dealing. Refer to the section entitled "*LICENSE APPLICATIONS.*"
- Application** Within two (2) years of passing the salesperson's or broker's examination, submit a complete application for licensure. Refer to the section entitled "*LICENSE APPLICATIONS.*"

REAL ESTATE SALESPERSON'S REQUIREMENTS

In addition to the general requirements, applicants for the real estate salesperson's license must also meet the following requirements:

- Education** Satisfy the prelicensing education requirement as described in the section entitled "*PRELICENSING EDUCATION REQUIREMENT.*"
- Examination** Pass the salesperson's license examination. To register for the exam, apply directly to the testing agency. Refer to the section entitled "*LICENSE EXAMINATIONS.*"

REAL ESTATE BROKER'S REQUIREMENTS

In addition to the general requirements, applicants for the real estate broker's license must also meet the following requirements:

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| Salesperson or Broker License | 1. Hold a current, unencumbered Hawaii real estate salesperson license, <u>or</u> a current, unencumbered real estate salesperson or broker license in another state or jurisdiction recognized by the Association of Real Estate License Law Officials, with an equivalent real estate licensing law as determined by the commission. |
| Experience | 2. Satisfy the experience requirement described in the section entitled " <i>BROKER EXPERIENCE REQUIREMENT</i> ." |
| Education | 3. Satisfy the preclicensing education requirement as described in the section entitled "PRELICENSING EDUCATION REQUIREMENT." |
| Examination | 4. Pass the broker's license examination. To register for the exam, apply directly to the testing agency. Refer to the section entitled " <i>LICENSE EXAMINATIONS</i> " |

PRELICENSING EDUCATION REQUIREMENT REAL ESTATE SALESPERSONS AND BROKERS

The preclicensing education requirement must be satisfied prior to the examination date. Applicants who fail to satisfy the education requirement will not be admitted to the examination and any examination score shall be voided.

PRELICENSING EDUCATION

All applicants must complete the appropriate (salesperson or broker) Commission approved preclicensing course given in Hawaii before the date of the examination, or apply for and obtain a "Preclicensing Education Equivalency – Real Estate" (refer to "*EQUIVALENCY TO PRELICENSING EDUCATION REQUIREMENT*").

Upon successful completion of the preclicensing course, applicants will be given a school completion certificate. The original school completion certificate must be presented at the examination site, and after the applicant passes the examination, submitted with the application for real estate license. School completion certificates are valid two (2) years from the date of issuance.

EQUIVALENCY TO PRELICENSING EDUCATION REQUIREMENT

The preclicensing education requirement may be satisfied by obtaining a Preclicensing Education Equivalency – Real Estate certificate from the Commission for applicants who satisfy one of the categories listed below. An application for "Preclicensing Education Equivalency – Real Estate," must be submitted on the form provided by the Commission, with supporting documents and a nonrefundable fee, prior to applying for examination

EQUIVALENCY CATEGORIES

Licensed In Another State

Hold a current license that was active within one (1) year immediately prior to the date of the equivalency application as a salesperson or broker in another state with similar or superior preclicensing education requirements as determined by the Commission.

Law Degree

Graduate of a law school accredited by the American Bar Association.

Real Estate or Business Major

Bachelor of arts or bachelor of science degree graduates of an accredited college or university with a major in real estate or business.

College Courses

Completion of at least six (6) semester credits in real estate, business, business law, real estate development, or finance courses at an accredited college or university.

Professional Designation

Hold a professional real estate designation or other recognized certificate as accepted by the Commission (e.g. GRI, BOMI-RPA and CCIM).

Refer to the information sheet on the application form for further instructions.

The original preclicensing education equivalency certificate must be presented at the examination site, and after the applicant passes the examination, submitted with the application for real estate license. Preclicensing education equivalency certificates are valid for two (2) years from the date of issuance.

BROKER EXPERIENCE REQUIREMENT

Broker candidates must meet the following experience requirement prior to taking the examination:

Has experience as a full-time Hawaii-licensed real estate salesperson associated with a Hawaii-licensed real estate broker for at least three (3) years of the five-year period immediately prior to the submission of the experience certification application and has practical real estate salesperson experience, as certified by the principal broker(s) or broker(s) in charge. Subject to commission approval, a candidate may request a determination of equivalency for the experience requirement based on real estate salesperson license experience, or a current, unencumbered (no conditions or disciplinary action attached) real estate broker license in another state or jurisdiction recognized by the Association of Real Estate Licensing Law Officials, with an equivalent real estate licensing law as determined by the commission.

Refer to the information sheet on the application form for further instructions.

An experience certificate will be issued upon approval of the application. The original experience certificate must be presented at the examination site, and after the applicant passes the examination, submitted with the application for real estate license. Experience certificates are valid for two (2) years from the date of issuance.

LICENSE EXAMINATIONS REAL ESTATE SALESPERSONS AND BROKERS

For examination dates, refer to the Hawaii Real Estate Candidate Handbook, which is distributed to those who have passed the prelicensing education course (salesperson or broker) and to those who have been issued a *Prelicensing Education Equivalency Certificate*.

To schedule an examination date, apply directly to the testing agency, PSI Services, LLC, at 1-800-733-9267 or www.psiexams.com. **Walk-in testing is not available.**

EQUIVALENCY TO THE UNIFORM SECTION OF THE HAWAII REAL ESTATE LICENSE EXAMINATION

Applicants for license who have a current real estate license in another state and have passed the uniform portion of the state's licensing examination for the equivalent level of license may obtain an equivalency to the uniform section of the Hawaii licensing examination. If granted, the equivalency permits the applicant to take the state section only of the Hawaii real estate licensing exam, subject to the applicant having a valid Hawaii School Completion Certificate or Prelicensing Education Equivalency Certificate.

Complete the "Application for Equivalency to the Uniform Section of the Hawaii Real Estate Licensing Examination," submit the \$25.00 nonrefundable application fee and completed "Verification of License." Refer to the information sheet on the application form for further instructions.

The original certificate of equivalency to uniform section of examination must be presented at the exam site, and after the applicant passes the examination, submitted with the application for real estate license. Certificates are valid for two (2) years from the date of issuance.

LICENSE APPLICATIONS REQUEST FOR PRELIMINARY DECISION – REAL ESTATE SALESPERSON OR BROKER

Applicants for license must possess a reputation for or record of competency, honesty, truthfulness, financial integrity and fair dealing. Applicants who believe their background may disqualify them from obtaining a license can apply to the Commission for a preliminary, non-binding decision and receive an indication of whether the Commission would approve an application before undertaking the expense of completing the prelicensing education requirement and taking the license examination. This process would provide advisory guidance only, and is not binding or subject to appeal. In addition, if the preliminary decision is favorable to the applicant, the applicant must still successfully complete the prelicensing requirements before applying for a license. Even if the preliminary decision is not favorable to the applicant, the applicant may submit a complete application for license and fees following the successful completion of the prelicensing requirements. The following must accompany each application for preliminary decision:

1. Submit the appropriate application and non-refundable fee. Refer to application instructions for specific information.
2. Submit additional information including official documents regarding the action, conviction, lawsuit, outstanding tax obligations, liens, statements on the circumstances which led to the action, experience and education in the intervening time, statements from employers and business associates since the action, and proof of payments and/or payment plan.

FAILURE TO PROVIDE INFORMATION AND DOCUMENTS REQUESTED BY THE COMMISSION WILL RESULT IN A TERMINATION OF PROCESSING OF THE APPLICATION. Applications will be reviewed by the Commission at its meeting.

REAL ESTATE SALESPERSONS AND BROKERS

Applications for license are distributed at the test site to candidates who pass the examination. Completed applications for both the salesperson and broker licenses must be received by the Commission within two (2) years of the last examination date. Applicants who submit applications after two (2) years shall be deemed unsuccessful candidates and must retake the examination. The following items must accompany each application for license:

1. Payment in the amount indicated on the score report.
2. The original "School Completion Certificate," or original "Prelicensing Education Equivalency Certificate for Real Estate License Exam" and, if applicable, "Equivalency to Uniform Section of Examination Certificate." Broker license applicants must also submit the original "Experience Certificate."
3. Documentation as stated on the score report.
4. Applicants with prior convictions, disciplinary actions or complaints/charges by a licensing agency of any state or jurisdiction (regardless of outcome), pending lawsuits, unpaid judgments, outstanding tax obligations or any other type of involuntary liens, will be required to submit additional information including official documents regarding the action, conviction, lawsuit, outstanding tax obligations, liens, statements on the circumstances which led to the action, experience and education in the intervening time, statements from employers and business associates since the action, and proof of payments and/or payment plan.

Applicants must provide proof that the applicant has maintained a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing. Failure to comply, observe, or adhere to **any** law in a manner such that the licensing authority deems the applicant to be unfit or an improper person to hold a license, will be grounds for denial of a license.

FAILURE TO PROVIDE INFORMATION AND DOCUMENTS REQUESTED BY THE COMMISSION SHALL BE GROUNDS FOR DENIAL OF APPLICATION.

Applications will be reviewed by the Commission at its meeting. No license will be issued to any person who does not possess a reputation for or record of competency, honesty, truthfulness, financial integrity and fair dealing.

If for any reason you are denied the license you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for a license has been denied.

REAL ESTATE - CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY (LLC), LIMITED LIABILITY PARTNERSHIP (LLP), OR SOLE PROPRIETOR REQUIREMENTS

Brokers who wish to apply as sole proprietors must also observe the provisions for place of business, trade name, and prohibited names under the section below.

A corporation, partnership or limited liability company (LLC) which engages in activity on its own account is required to obtain a real estate broker's license or hire a licensed real estate broker.

The real estate brokerage business of any partnership or LLP must be under the direct management of a principal broker who is a general partner or employee thereof and holds a current active real estate broker's license;

The real estate brokerage business of any corporation must be under the direct management of a principal broker who is an officer or employee thereof and holds a current active real estate broker's license.

The real estate brokerage business of any LLC must be under the direct management of a principal broker who is a member of a member-managed LLC or a manager of a manager-managed LLC or employee and holds a current active real estate broker's license.

License Application

1. Submit the appropriate application, complete with the appropriate fee. Refer to application instructions for specific information.

BREG Registration

2. If the application is for a corporation, partnership, LLC or LLP, we will require the following proof to show that the entity is properly registered with the Business Registration Division (BREG), Department of Commerce and Consumer Affairs, State of Hawaii, P.O. Box 40, Honolulu, Hawaii 96810. Call (808) 586-2727, or www.hawaii.gov/dcca/breg-seu.

If the entity has been registered in this state for LESS THAN ONE (1) YEAR, ATTACH a "*filed stamped*" copy of the document filed with BREG; or the same certificate mentioned below.

If the entity has been registered in this State for MORE THAN ONE (1) YEAR, ATTACH a "*Certificate of Good Standing*" that was issued not more than 12 months ago.

- Trade Name** 3. If you are planning to use a trade name, submit a filed-stamped copy of current trade name registration approved by BREG. Trade names are subject to Commission approval.
- Prohibited Names** 4. No broker's license shall be issued under or changed to any trade name, corporate name, or partnership name which contains the name, part of the name, initials or nickname of an unlicensed person, real estate salesperson, or a real estate broker whose real estate license is not associated with or employed by the real estate broker applicant, unless otherwise approved by the Commission.
- Principal Broker** 5. Real estate corporations, partnerships, LLCs and LLPs must designate a principal broker. The principal broker must be a licensed Hawaii real estate broker who shall have direct management and supervision of the brokerage firm and its real estate licensees. A resolution designating the principal broker and specifying his or her duties must be submitted.
- Place of Business** 6. A brokerage firm shall maintain a principal place of business located in this State from which the brokerage firm conducts business and where the brokerage firm's books and records are maintained. The place of business must be in compliance with Chapter 467, Hawaii Revised Statutes, and Chapter 99, Hawaii Administrative Rules.

BRANCH OFFICE

Branch office registration applies only to offices located on an island different from the island on which the principal place of business is located. Only one (1) branch office is required to be registered per island. Additional offices located on the same island as a principal place of business or registered branch office may be operated without registration.

Application Submit the appropriate application, complete with the appropriate fee. Refer to application instructions for specific information.

Broker in Charge Each branch office shall have at least one (1) broker in charge. Register a broker in charge for the brokerage firm if the principal broker has not already designated a broker in charge.

Place of Business The place of business must be in compliance with Chapter 467, Hawaii Revised Statutes, and Chapter 99, Hawaii Administrative Rules

CONDOMINIUM MANAGING AGENTS

Any sole proprietor, corporation, partnership, LLC or LLP employed or retained by one or more condominium projects for the purposes of managing the operation of property through the association of apartment owners must register as a condominium managing agent (CMA).

CMAs are required to obtain and keep current a fidelity bond and be licensed real estate brokers. Upon request by the commission, the CMA shall provide evidence of a current fidelity bond or a certification statement from an insurance company authorized by the Insurance Division, Department of Commerce and Consumer Affairs.

The registration and fidelity bond requirements do not apply to active licensed real estate brokers conducting condominium management activity.

Refer to application form and instructions for specific information.

CONDOMINIUM HOTEL OPERATORS

Any sole proprietor, corporation, partnership, LLC or LLP which provides a condominium apartment for transient lodging for periods of less than 30 days in condominium projects must register as a condominium hotel operator (CHO).

CHOs are required to provide evidence of a fidelity bond from an insurance company authorized to issue fidelity bonds by the Insurance Division, Department of Commerce and Consumer Affairs. Commission approval is required prior to conducting condominium hotel activity.

The registration and fidelity bond requirements do not apply to active licensed real estate brokers conducting condominium hotel activity.

Refer to application form and instructions for specific information.

LICENSE RENEWAL

All real estate broker and salesperson licenses, including corporations, partnerships, LLCs or LLPs, and sole proprietors must be renewed by the commission prescribed deadline prior to November 30th of each even-numbered year (e.g. 2006, 2008, etc.). Licenses which are not renewed prior to expiration automatically forfeit (unlicensed) on the following January 1 of the odd-numbered year (e.g. January 1, 2005, 2007, etc.).

Continuing Education

Prior to license renewal, a licensee shall provide the Commission with proof of having attended ten (10) hours of Commission approved continuing education courses during the two-year period preceding the application for renewal. Failure to satisfy the continuing education requirement by the license expiration date will preclude the licensee from renewing the license on active status. Renewal applications will be processed as inactive status without notification. To reactivate a license which has been placed on an inactive status, the licensee shall submit proof of having satisfied the continuing education requirements, pay the appropriate fee for reactivation and submit a completed "Change Form - Real Estate."

Note: A salesperson licensee who is issued a license during an even-numbered year shall be deemed to have completed equivalent to the ten (10) hours of continuing education and will be renewed on active status.

Continuing Education Equivalency

Hawaii-licensed real estate brokers and salespersons who hold a current, unencumbered real estate license in another state or jurisdiction recognized by the Association of Real Estate License Law Officials, intending to renew their Hawaii license on active status, may request a determination of equivalency for the elective course hours of the continuing education requirement. The continuing education equivalency shall be based on the successful completion of the continuing education requirements in the other state or jurisdiction prior to submission of the license renewal application. Approval of the continuing education equivalency shall be subject to the real estate licensee completing the commission-designated core course.

License Forfeiture

If the license is not renewed prior to December 31 of an even-numbered year (e.g. 2004, 2006, etc.) for failure to submit a renewal application or failure to pay renewal fees, the license shall be forfeited on January 1 of the subsequent odd-numbered year (e.g. 2003, 2005, etc.). If your check for your renewal fee is dishonored or unpaid, your license shall be forfeited on January 1, without further notice.

Restoration of Forfeited License

Within One Year of Forfeiture - The license of a broker or salesperson may be restored upon written application and payment of the required fees, penalties and required documents.

More Than One Year But Less Than Four Years - The license may be restored upon written application, payment of the required fees and penalties, and completion of either one of three options of courses approved by the Commission (the prelicense course for the level of license that was forfeited, salesperson or broker, or the "Essentials of Listing" and "Essentials of Finance" and "Essentials of the DROA," or fifteen (15) hours of continuing education elective courses) or successful passage of the commission-approved examination for the level of license forfeited (salesperson or broker).

More Than Four Years - The license may be restored upon written application, payment of the required fees and penalties, and successful passage of the license examination for the level of license forfeited (salesperson or broker).

A forfeited salesperson licensee may also elect to start over as a new applicant and relinquish any prior experience. A forfeited broker licensee may elect to start over as a new salesperson applicant and relinquish all prior experience.

REAL ESTATE COMMISSION MEETINGS

The Hawaii Real Estate Commission usually meets once a month to decide on licensing and registration application matters. Meetings are normally held on the fourth Friday of the month, however, they are subject to change and interested persons should contact the Commission office for details. An application will not be placed on the agenda if it is not "complete" and received with adequate time for processing. The meetings are open to the public.

Real Estate Commission
335 Merchant Street, Room 333
Honolulu, Hawaii 96813
Telephone: (808) 586-2643
web page: <http://www.hawaii.gov/hirec>

COPIES OF REAL ESTATE LICENSING LAWS AND RULES

The fees for all applications, licenses, and registrations are listed on the actual application forms and in Hawaii Administrative Rules, Title 16, Chapter 53, Fees Relating to Boards and Commissions.

The Hawaii Revised Statutes (HRS) and the Hawaii Administrative Rules (HAR) for all areas regulated by the Department of Commerce & Consumer Affairs may be found on the Department's website:

Laws – www.hawaii.gov/dcca/hrs

Rules – www.hawaii.gov/dcca/har

Real Estate Brokers & Salespersons, Ch. 467, HRS; Ch. 99, HAR;

Condominium Property Regime, Cha. 514A, HRS; Ch. 107, HAR;

Uniform Land Sales, Ch. 484, HRS; Ch. 104, HAR;

Time Sharing Plans, Ch. 514E, HRS; Ch. 106, HAR;

Real Estate Appraisers, Ch. 466K, HRS; Ch. 114, HAR;

Mortgage Brokers & Solicitors, Ch. 454, HRS;

Professional & Vocational Licensing Act, Ch. 436B, HRS.