

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: January 13, 2010

Time: Upon adjournment of the Condominium Review Committee meeting, which is 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, Chair / Broker / Maui Commissioner
Frances T. Gendrano, Broker / Honolulu Commissioner
Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner
Louis Abrams, Broker / Kauai Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Mark Suiso, Public / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer
Jon Ellis M. Pangilinan, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Philip H. Wilia, Dower Realty
Abe Lee, Abe Lee Seminars
Bryan Andaya, Eddie Flores Real Estate Continuing Education
Russ Goode, Russ Goode Seminars
Myoung Oh, Hawaii Association of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®
Jonathan Chun, Esq., Belles Graham Proudfoot Wilson & Chun, LLP

Absent: Walter Harvey, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 10:13 a.m., at which time quorum was established.

Chair's Report: The Chair stated the Committee may move into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with section 92-5(a)(1), HRS.

Commissioner Harvey was excused from the meeting. Prior notification of his non-attendance was received.

Real Estate
Specialist's Report:

Additional Distribution

The following was distributed as additional distributions:

6. Administration of Examinations
 - a. PSI
 - 1) Licensing Examination Statistics
 - 2) School Pass/Fail Rates
 - 3) School Summary by Test Category

Minutes of Meeting

Upon a motion by Commissioner Aiona, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the December 9, 2009, Education Review Committee meeting.

Continuing Education: Applications

2009-2010 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the following registrations/certifications:

<u>Registration/Certification</u>	<u>Effective Date</u>
Provider(s)	
Richard Daggett School of Real Estate (Administrator: Richard W. Daggett)	January 1, 2010
Course(s)	
"Senior Real Estate Specialist" (Nationally Certified Course/Hogan School of Real Estate, Inc.)	November 30, 2009
"Short Sales & Foreclosures: What Real Estate Professionals Need to Know" (Nationally Certified Course/Hogan School of Real Estate, Inc.)	November 30, 2009
"1031 Exchange for Real Estate Practitioners" (ARELLO Certified Course/REMI School of Real Estate)	November 30, 2009
"About Fair Housing for Real Estate Practitioners" (ARELLO Certified Course/REMI School of Real Estate)	November 30, 2009
"Basics of Real Estate Taxation" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009

"Cracking the Code of Ethics" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Diversity: Your Kaleidoscope of Clients" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Foreclosures Demystified" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Going Green: The Environmental Movement in Real Estate" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Keeping it Honest: Understanding Real Estate & Mortgage Fraud" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Real Estate Technology: The Professional's Guide to Success" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Seller Representative Specialist (SRS)" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Today's MLS: New Paradigms, Better Results" (ARELLO Certified Course/CE Shop, Inc.)	November 30, 2009
"Listing and Selling Business Opportunities" (Author/Owner: Richard W. Daggett/Richard Daggett School of Real Estate)	January 1, 2010
"Understanding the Hawaii Foreclosure System" (Author/Owner: Richard W. Daggett/Richard Daggett School of Real Estate)	January 1, 2010

**Course – "Understanding Hawaii's Diverse Cultures and Differences;"
Author/Owner: Phillip Wilia; Provider: Dower School of Real Estate;
Course Category: Other – Real Estate Marketing and Social Awareness;
Clock Hours: 3**

Mr. Wilia submitted written testimony and read his testimony for the Committee.

Mr. Wilia stated that he revised the course to include awareness of both discrimination and fair housing issues. To assure that students know in advance the intent of the course he added "*A Guide to Help Curtail Discrimination and Fair Housing Issues*" to the title.

Mr. Wilia stated that the Committee's denial letter commented that the course dealt more with generic business practice and not specifically real estate business practices and was aimed more at developing people skills. He stated that generic business practices do not focus on understanding cultural differences. Instead, the course presents a general overview of the market and then, applies understanding of cultural differences to the basic business overview. Though the desire may be to treat everyone fairly, a fiduciary relationship is not required between generic business practitioners and customers. Real estate practitioners, however, have a fiduciary responsibility towards their clients and most likely a long term personal relationship. Consequently, a licensee's knowledge and understanding of cultural differences

goes far beyond what may be helpful in generic business practices. He stated that the course focuses on understanding cultural differences. It was researched, developed, and written only for real estate practitioners and will be taught only to real estate practitioners.

Mr. Wilia stated that Hawaii is the only State made up of minorities. There is no one dominant race which makes understanding Hawaii's diverse cultures and differences especially important. He added that people skills in real estate is exactly what practitioners need when working with Hawaii's diverse cultures.

Mr. Wilia stated that as a continuing education instructor, understanding cultural differences has always been at the forefront of his mind. From informal polling of students, the students felt this course would greatly benefit them. He believes it will benefit not only the students but also their clients and the general public.

The Commissioners questioned how this course pertains to fair housing. Mr. Wilia stated that there may be misconceptions if you do not understand different cultures. Mr. Wilia stated that the general emphasis is addressing discrimination first to avoid/minimize fair housing issues.

Mr. Wilia understood that this is a very sensitive subject but that is why he wants to present this course. He finds that people still like to be recognized for their culture and maintain their identity.

Upon a motion by Commissioner Aiona, seconded by Commissioner Nishihara it was voted on and unanimously carried to defer decision making on this application with the following recommendations:

1. Include clear explanations of applicable fair housing laws to scenarios and course materials.
2. Elaborate on the Gannett News Service analysis of federal statistics.
3. Tie in existing course material with examples of situations related to fair housing, e.g. understanding cultural differences but treating people "equally."

**Course – "How to Invest and to Predict Housing Market 2009-2010;"
Author/Owner/Provider: Eddie Flores, Jr., and Eddie Flores Real Estate
Continuing Education; Course Category: Investment; Clock Hours: 3**

Bryan Andaya, Esq. was present.

Mr. Andaya stated that the main point behind this course is to help the real estate professional educate their clients that investment is not an exact science and that there are many risks in real estate investment. The main role of a real estate professional is to focus on real estate and refer clients to appropriate experts, but you have to be able to spot the issues first. He added that it is important to know that real estate is not always the vehicle for investment.

The Commissioners had concerns that the title is not conveying what the course is about. Mr. Andaya stated that the idea is to get the students into the door; however, he is open to revising the title.

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Abrams, it was voted on and unanimously carried to take this matter under advisement.

Course – “Introduction to Green Movement;” Author/Owner/Provider: Abe Lee and Abe Lee Seminars; Course Category: Other – Environment Management; Clock Hours: 3

Mr. Abe Lee was present.

Mr. Lee stated that he has authored 19 courses and has acquired the NAR green certification. He stated that this course is an overview of what is going on in the world/nation and the green building movement—LEED, EnergyStar, etc. He stated that this is the first of three courses he would like to submit, and he hopes to do a series of courses centering on the green movement.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve “Introduction to Green Movement” as a three clock hour continuing education elective course under the course category Other – Environment Management.

Course – “VA Home Loan;” Author/Owner: Tony Dias; Provider: Russ Goode Seminars; Course Category: Finance; Clock Hours: 3

Mr. Russ Goode was present.

Mr. Goode stated that there is a lot of ignorance about VA mortgages and changes that have occurred. He stated that this course is very popular when given at HBR as a non-CE course.

There was a concern that Mr. Dias was the branch manager of Platinum Mortgage. Mr. Goode stated that Mr. Dias has extensive experience, but specialized in VA loans for the past four years and branch manager at Platinum Mortgage just happens to be his job at this time.

Mr. Goode stated that real estate agents need to be aware of VA opportunities. He added that he will include a caveat to the course that this is not investment advice and to seek the advice of a professional.

There was a concern that the slides included the company name and logo of the author of the course--the slides should be generic.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take this matter under advisement.

Administration of
Examinations:

PSI

PSI Examination Format

Mr. Goode stated that he has been teaching since 1983 and has found that the national portion of the exam is more straightforward. He stated that candidates approach the exam with a bit of anxiety and has found that if the candidate is allowed to take the national portion before the state portion, they are more successful. He has been told that the national portion is much easier.

Commissioner Nishihara moved to mandate that PSI offer the national portion of the exam before the state portion. Commissioner Aiona seconded the motion.

There was discussion of giving the candidate a choice of which portion of the exam they would like to take first.

Commissioner Nishihara amended her motion to mandate that PSI offer the national portion of the exam before the state portion or, if allowed, to have the candidate have a choice of which portion of the exam they would like to take first. Commissioner Suiso seconded the motion. The motion was voted on and unanimously carried.

Continuing Education: Continuing Education Core Course

Senior Specialist Fujimura reported that the Request for Quotations for Part B of the 2009-2010 core course has been submitted through the Hawaii Electronic Procurement System (HePS) with a submission deadline of January 22, 2010.

Senior Specialist Fujimura reported that Part A of the 2009-2010 core course is now available online only. As of December 31, 2009, 6,014 licensees completed the classroom version of Part A and 49 licensees completed the online version of Part A. Approximately 10,000 licensees need to complete Part A by the end of this year.

Evaluation and Education Program

Copies of 2009-2010 core course Part A evaluations of the following providers and instructors were distributed to the Commissioners for their information:

- Hawaii Institute of Real Estate, John Connelley
- Abe Lee Seminars, Abe Lee
- Eddie Flores Real Estate Continuing Education, Bryan Andaya, Esq.

Prelicense Education: Evaluation and Education Program

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

- Abe Lee Seminars; Independent Study On-Line (8)
- Seiler School of Real Estate, Independent Study On-Line (5)

Administration of
Examinations:

PSI

Licensing Examination Statistics – December 2009

Examination statistics for December 2009 were distributed to the Commissioners for their information.

School Pass/Fail Rates – December 2009

School pass/fail rate statistics for December 2009 were distributed to the Commissioners for their information.

School Summary by Test Category – December 2009

Copies of the December 2009 test category summary reports, by school, were distributed to the Commissioners for their information.

ARELLO Examination Accreditation Program

A copy of the ARELLO Examination Accreditation Program, Top Ten Questions and Complaints on Real Estate License Exams, was distributed to the Commissioners for their information.

Test Development

Specialist Endo reported that the supplemental item review meeting held on December 10, 2009, was very productive and questions were developed and will be integrated into the existing licensing exams.

Examination Contract

Specialist Endo reported that effective February 13, 2010, the Maui test site will be located at Maui Community College and there will be 14 seats available at that site.

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**

Green "Real Estate Bulletin" and "School Files"

Specialist Leong informed the Committee that the Commission's February 2009 Condominium Bulletin included an article that the Commission is attempting to take steps towards becoming environmentally friendly by eliminating printed copies of the Condominium Bulletin and having it strictly available on line. Staff noted that most states either provided publications electronically or are moving towards e-publication. One state noted its concerns with maintaining email addresses, etc. Real Estate Specialist Fujimura noted concerns specifically for the Real Estate Bulletin, such as maintaining an email database. Staff will research the maintenance of an email database of licensees further.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Abrams, it was voted on and unanimously carried to support and move forward with the green movement for Hawaii Real Estate Commission publications.

Continuing Education: **Course – "How to Invest and to Predict Housing Market 2009-2010;"
Author/Owner/Provider: Eddie Flores, Jr., and Eddie Flores Real Estate
Continuing Education; Course Category: Investment; Clock Hours: 3**

Senior Specialist Fujimura stated that this course has been approved for the past three bienniums and this is an updated version.

The Commissioners felt that the title was misleading to the licensee.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve "How to Invest and to Predict Housing Market 2009-2010" as a three clock hour continuing education elective course, subject to the following changes:

1. Selection of another title that reflects the actual course content.
2. Deletion of the "Predictions Made in 2009 by Eddie Flores (08/09)" information sheet.
3. Include emphasis in the course materials that the appropriate financial experts should be consulted for advice.

Course – "VA Home Loan;" Author/Owner: Tony Dias; Provider: Russ Goode Seminars; Course Category: Finance; Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to defer decision making on this application with the following recommendations:

1. Delete "VA Loans Hawaii" name and logo from PowerPoint slides.
2. Modify the discussion on real estate vs. stocks. No investment advice should be given in a continuing education course.
3. The course materials target veterans and are not written to provide VA loan information to real estate licensees. The materials seem to be a sales pitch rather than continuing education material.
4. Include material on how VA loans and requirements have changed.

Next Meeting: Wednesday, February 10, 2010
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Ball adjourned the meeting at 11:27 a.m.

Reviewed and approved by:

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

February 2, 2010
Date

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