

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: December 8, 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
Scott A. Sherley, Vice Chair / Broker / Hawaii Island Commissioner
Donna Apisa, Broker / Kauai Commissioner
Frances T. Gendrano, Broker / Honolulu Commissioner
Walter Harvey, Broker / Honolulu Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Mark Suiso, Public / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / 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 Grupen, Real Estate Specialist
Cheryl Leong, Condominium Specialist
Shari Wong, Deputy Attorney General
Karyn Takahashi, Recording Secretary

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Mark D. Clement, Esq., Hawaii Financial Literacy Educators

Absent: Stanley Kuriyama, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 10:04 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, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS.

Commissioners Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Real Estate Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Sherley, it was voted on and unanimously carried to accept the minutes of the November 10, 2010, Education Review Committee meeting as amended.

Continuing Education: Applications

2011-2012 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Sherley, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the attached list.

Course – “Akamai About Credit Reports, Credit Scores and the Fair Credit Reporting Act;” Author/Owner: Mark D. Clement, Esq.; Provider: Abe Lee Seminars; Course Category: Other: Credit Reports, Credit Scores, Fair Credit Reporting Act; Clock Hours: 3

Mark D. Clement, Esq., was present to answer questions.

Mr. Clement was questioned if his course was more appropriate as a course for lenders. Mr. Clement responded that he has authored a course directed to loan officers. He added that in his experience real estate agents are put in positions where they are faced with challenges of the credit industry. This course would help real estate licensees address the issues from the standpoint of what an agent would experience with a consumer.

Mr. Clement stated that the course will help the real estate agent interface with the consumer as the consumer is seeking guidance. This course will help dispel possible misguidance on the part of the licensee, and make the real estate agent aware of the available resources.

When questioned about the course being beyond the scope of a real estate licensee, Mr. Clement responded that the course is not intended to make the real estate agent an expert, but to make the agent aware and protect them from exposure.

Commissioner Sherley stated that from the property management point of view, this course is informative, as the property manager should have an understanding of this information.

Chair Ball stated that as real estate agents, they owe it to themselves and clients to be knowledgeable in many areas, but the course should not give the impression that the licensee will feel they are experts just by attending this course.

Mr. Clement stated that for the past ten years he has been litigating against the credit reporting industry. His ambition is to get as much information to the consumer so they are treated fairly. He has made a great effort to promote this information to consumers. The protection comes from how the message is delivered as to how consumers may help protect themselves.

Commissioner Loudermilk noted that in his application, Mr. Clement states that “this course will teach agents how to effectively close transactions while preserving a consumer’s right under the Fair Credit Reporting Act.” Mr. Clement

responded that the course will not make the attendee an expert, but will enable them to steer their client in the direction to best enforce their rights.

Chair Ball stated that when she reviews a course she wants to ensure that the course is not designed to make the attendee think they will be an expert, but she also considers the background of the person teaching the course.

Commissioner Nishihara stated that she feels that this course is theoretically and academically good, but may not be practically good as a CE course. She noted that in real life situations one question leads to another and then the licensee may be trapped into making statements they should not be making rather than having them seek the advice of a professional. She is not discounting the course as the course is a good course, but is it a CE course? If approving it as a CE course, are we saying that this is information licensees should know.

Commissioner Loudermilk stated that the agent should know when to refer their client to an expert—it is up to the agent's judgment.

Chair Ball stated that the course may be presented in the wrong tone, it should be trying to impart information and this angle should be emphasized throughout the course. Mr. Clement agreed and stated that he is willing to revise the language of the course.

Commissioner Harvey stated that in his application Mr. Clement states "realtors have a legal duty to assist clients with preserving and enforcing their rights under the Fair Credit Reporting Act". Commissioner Harvey stated that there is no such legal duty for real estate licensees. Mr. Clement responded that the legal duty does not exist now, but may in the future; however, the statement does not match his perception. His true mission is to educate consumers, and in that light, Mr. Clement was willing to amend the statement.

Commissioner Loudermilk moved to approve "Akamai About Credit Reports, Credit Scores and the Fair Credit Reporting Act" as a three credit hour continuing education elective course subject to the following clarifications/revisions:

- 1) Clarification of any representations throughout the course materials that may give the impression the student will be able to advise a client regarding credit reports, credit scores, and the Fair Credit Reporting Act.
- 2) Amend the statement in the course application, ". . . I also believe loan officers and realtors have a legal duty to assist clients with preserving and enforcing their rights under the Fair Credit Reporting Act."
- 3) Repeat the disclaimer at the bottom of page 10 of the Instructor Guide throughout the course and course materials.

Commissioner Apisa seconded the motion. Commissioners Ball, Apisa, Gendrano, Loudermilk, Sherley, and Suiso voted aye. Commissioners Nishihara and Harvey voted nay. The motion was carried.

Course – “Senior Real Estate Specialist;” Author/Owner: Real Estate Buyer’s Agent Council (REBAC); Provider: Hogan School of Real Estate; Course Category: Seniors Real Estate Specialist; Clock Hours: 12 (previously certified for 6 hours)

Course – “Accredited Buyer’s Representative Designation Program;” Author/Owner: Accredited Buyer’s Representative Designation Course (ABR®); Provider: Hogan School of Real Estate; Course Category: Accredited Buyer Representative; Clock Hours: 12 (previously certified for 6 hours)

Course – “NAR’s Green Designation Core Course;” Author/Owner: Real Estate Buyer’s Agent Council (REBAC); Provider: Hogan School of Real Estate; Course Category: Green Designation; Clock Hours: 12 (previously certified for 6 hours)

There was discussion that review of courses should be focused on quality and merit and CE credit should not be given for portions of the course that do not qualify for CE as defined by the Hawaii Administrative Rules.

It was brought to the Committee’s attention by Ms. Marsha Shimizu, Hawaii Association of Realtors, that when she submits course applications she indicates on the curriculum what portions are for CE credit. It should be incumbent upon the applicant to indicate on the curriculum the portions that are CE credit-worthy.

Staff to modify the continuing education course application to include the breakdown of the course to indicate which topics qualify for CE credit based on HAR sections 16-99-100 and 16-99-101.

Commissioner Loudermilk moved to defer decision-making on these applications until such time the applicant provides clarification on the portions of the curriculum that is continuing education relevant according to the Hawaii Administrative Rules. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Course – “The LEED Certified Home 2011-2012;” Author/Owner: John Bendon; Provider: REALTORS® Association of Maui; Course Categories: Property Ownership and Development, Other – Sustainability, Green Homes, Home Certifications; Clock Hours: 3

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve “The LEED Certified Home 2011-2012” as a three credit hour continuing education elective course under the course categories Property Ownership and Development and Other – Sustainability, Green Homes, Home Certifications.

Course – “Green Home Basics 2011-2012;” Author/Owner: John Bendon; Provider: REALTORS® Association of Maui; Course Categories: Property Ownership and Development, Other – Sustainability, Green Homes; Clock Hours: 3

Upon a motion by Commissioner Nishihara, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve “Green Home Basics 2011-2012” as a three credit hour continuing education elective course under the course categories Property Ownership and Development and Other – Sustainability, Green Homes, Home Certifications.

Course – “The Home Energy Audit 2011-2012;” Author/Owner: John Bendon; Provider: REALTORS® Association of Maui; Course Categories: Property Ownership and Development, Other – Energy Efficiency; Clock Hours: 3

Upon a motion by Commissioner Suiso, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve “The Home Energy Audit 2011-2012” as a three credit hour continuing education elective course under the course categories Property Ownership and Development and Other – Sustainability, Green Homes, Home Certifications.

Prelicense Education: Administrative Issues

New Salesperson Licensees – 2010

Senior Specialist Fujimura reported that there were 53 new salesperson licensees in October 2010. As of October 31, 2010, there are 711 new salesperson licensees in 2010. The total number of 711 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.

Applications

2011-2012 Prelicense Schools and Instructors Ratification List

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the attached list.

Administration of Examinations:

PSI

Licensing Examination Statistics – November 2010

Examination statistics for November 2010 were distributed to the Commissioners for their information.

School Pass/Fail Rates – November 2010

School pass/fail rate statistics for November 2010 were distributed to the Commissioners for their information.

School Summary by Test Category – November 2010

Copies of the November 2010 test category summary reports, by school, were distributed to the Commissioners for their information.

Educator’s Forum:

Hawaii Association of REALTORS® – No discussion presented.

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

Budget and Education Finance Report:

No report.

Next Meeting: January 12, 2011
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 11:16 a.m.

Reviewed and approved by:

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

December 21, 2010
Date

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

**2011-2012 CONTINUING EDUCATION PROVIDERS AND COURSES
RATIFICATION LIST**

EDUCATION REVIEW COMMITTEE

December 8, 2010

<u>Registration/Certification</u>	<u>Effective Date</u>
Provider(s)	
ProSchools, Inc.	1/1/11
Ralph Foulger's School of Real Estate	1/1/11
Cengage Learning Inc., Career WebSchool	1/1/11
Carol Ball School of Real Estate	1/1/11
Hawaii Island Board of REALTORS®	1/1/11
Hogan School of Real Estate, Inc.	1/1/11
McKissock LP	1/1/11
Course(s)	
"Short Sales & Foreclosures: What Real Estate Professionals Need to Know" (Nationally Certified Course/Hogan School of Real Estate)	1/1/11
"NAR's Green Designation Residential Elective Course" (Nationally Certified Course/Hogan School of Real Estate)	1/1/11
"HAFA Short Sales, US Treasury, Fannie Mae & Freddie Mac Programs" (Nationally Certified Course/Hogan School of Real Estate)	1/1/11
"Effective Buyer Sales Strategies (CRS 202) (Nationally Certified Course/Hawaii Association of REALTORS®)	1/1/11
"Real Estate Finance and Tax Issues" (ARELLO Certified Course/Dearborn)	1/1/11
"Appraisal Process for Real Estate Professionals" (ARELLO Certified Course/McKissock LP)	1/1/11
"Closing Procedures and Settlement Costs" (ARELLO Certified Course/McKissock LP)	1/1/11

“Foundations in Sustainability: Greening the Real Estate and Appraisal Industries” (ARELLO Certified Course/McKissock LP)	1/1/11
“Characteristics of Real Estate Title Insurance” (ARELLO Certified Course/McKissock LP)	1/1/11
“Listing Agreements” (ARELLO Certified Course/McKissock LP)	1/1/11
“S.A.F.E. Mortgage Licensing Act” (ARELLO Certified Course/McKissock LP)	1/1/11
“Site Selection, Design and Business Planning for Brokerages” (ARELLO Certified Course/McKissock LP)	1/1/11
“Brokerage Relationships” (ARELLO Certified Course/McKissock LP)	1/1/11
“Business Economics and the Secondary Mortgage Market” (ARELLO Certified Course/McKissock LP)	1/1/11
“Effective Listing Presentations” (ARELLO Certified Course/McKissock LP)	1/1/11
“Keeping Yourself and Your Broker Out of Court” (ARELLO Certified Course/McKissock LP)	1/1/11
“Leading the Real Estate Transaction” (ARELLO Certified Course/McKissock LP)	1/1/11
“Liens, Taxes and Foreclosures” (ARELLO Certified Course/McKissock LP)	1/1/11
“Listing A Property & Cooperating with Other Licensees” (ARELLO Certified Course/McKissock LP)	1/1/11
“Misrepresentation and Case Studies” (ARELLO Certified Course/McKissock LP)	1/1/11
“Personal Marketing for Real Estate Professionals” (ARELLO Certified Course/McKissock LP)	1/1/11
“Real Estate Ethics and Communication” (ARELLO Certified Course/McKissock LP)	1/1/11
“Principles of Finance & the Mortgage Market” (ARELLO Certified Course/McKissock LP)	1/1/11
“Property Condition Disclosure” (ARELLO Certified Course/McKissock LP)	1/1/11

“Property Management” (ARELLO Certified Course/McKissock LP)	1/1/11
“Property Pricing and CMA’s” (ARELLO Certified Course/McKissock LP)	1/1/11
“Real Estate Ethics and Standards of Professional Conduct” (ARELLO Certified Course/McKissock LP)	1/1/11
“Real Estate Mathematics” (ARELLO Certified Course/McKissock LP)	1/1/11
“Risk Management” (ARELLO Certified Course/McKissock LP)	1/1/11
“Safety Precautions for Real Estate Professionals” (ARELLO Certified Course/McKissock LP)	1/1/11
“Short Sales” (ARELLO Certified Course/McKissock LP)	1/1/11
“Size Matters: Residential Square Footage” (ARELLO Certified Course/McKissock LP)	1/1/11
“Taxation of Real Estate Capital Gain” (ARELLO Certified Course/McKissock LP)	1/1/11
“The Three P’s of Negotiation” (ARELLO Certified Course/McKissock LP)	1/1/11
“The Qualifying Process” (ARELLO Certified Course/McKissock LP)	1/1/11
“Using the HP 10Bii Calculator” (ARELLO Certified Course/McKissock LP)	1/1/11
“What Real Estate Professionals Need to Know about FHA” (ARELLO Certified Course/McKissock LP)	1/1/11
“Investment Property Practice and Management” (ARELLO Certified Course/Dearborn)	1/1/11
“Buyer Representation” (ARELLO Certified Course/Dearborn)	1/1/11
“Environmental Issues in Your Real Estate Practice” (ARELLO Certified Course/Dearborn)	1/1/11
“Ethics in Today’s Real Estate World” (ARELLO Certified Course/Dearborn)	1/1/11

“Fair Housing” (ARELLO Certified Course/Dearborn)	1/1/11
“Foreclosures, Short Sales, REO’s & Auction” (ARELLO Certified Course/Dearborn)	1/1/11
“Homes for All: Serving People with Disabilities” (ARELLO Certified Course/Dearborn)	1/1/11
“Introduction to Commercial Real Estate Sales” (ARELLO Certified Course/Dearborn)	1/1/11
“Mortgage Fraud & Predatory Lending – What Every Agent Should Know” (ARELLO Certified Course/Dearborn)	1/1/11
“Property Management and Managing Risk” (ARELLO Certified Course/Dearborn)	1/1/11
“Real Estate Agent/Mortgage Professional” (ARELLO Certified Course/Dearborn)	1/1/11
“Real Estate and Taxes! What Every Agent Should Know” (ARELLO Certified Course/Dearborn)	1/1/11
“Real Estate Finance Today” (ARELLO Certified Course/Dearborn)	1/1/11
“Red Flags Property Inspection Guide” (ARELLO Certified Course/Dearborn)	1/1/11
“Reverse Mortgages for Senior Homeowners” (ARELLO Certified Course/Dearborn)	1/1/11
“Risk Management” (ARELLO Certified Course/Dearborn)	1/1/11
“The Truth About Mold” (ARELLO Certified Course/Dearborn)	1/1/11
“Understanding 1031 Tax-Free Exchanges” (ARELLO Certified Course/Dearborn)	1/1/11
“Understanding Credit and Improving Credit Scores: What You Need to Know” (ARELLO Certified Course/Dearborn)	1/1/11

**2011-2012 PRELICENSE SCHOOLS AND INSTRUCTORS
RATIFICATION LIST**

EDUCATION REVIEW COMMITTEE

December 8, 2010

<u>Registration/Certification</u>	<u>Effective Date</u>
School(s)	
ProSchools, Inc.	1/1/11
Ralph Foulger's School of Real Estate	1/1/11
Carol Ball School of Real Estate	1/1/11
Instructor(s)	
Ralph S. Foulger	1/1/11
Carol Ball	1/1/11