

**EDUCATION REVIEW COMMITTEE**  
**REAL ESTATE COMMISSION**  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.state.hi.us/hirec](http://www.state.hi.us/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: Friday, January 10, 2003

Time: 11:00 a.m.

Place: Conference Room  
REALTORS® Association of Maui  
441 Ala Makani Place  
Kahului, Maui

Present: Vern Yamanaka, Vice Chair  
Louis Abrams, Member  
Mitchell Imanaka, Member  
Kathleen Kagawa, Member  
John Ohama, Member  
Iris Okawa, Member  
Peter Rice, Member – early departure

Calvin Kimura, Supervising Executive Officer  
Alan Taniguchi, Executive Officer  
Lorene Arata, Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Gordon Arakaki, Recodification Attorney  
Tammy Norton, Recording Secretary

Excused: Patricia Choi, Chair  
Marshall Chinen, Member

Others: Vicky Hammond, Montana Board Realty Regulation  
Marsha Shimizu, Hawaii Association of Realtors  
Judy Pasco, Realtors Association of Maui  
Scott Sherley, Hawaii Association of Realtors  
Terry Tolman, Realtors Association of Maui  
Mary Jo and Clifford Phillips  
Lois and Harvey Janis

Call to Order: Chair Choi was unable to attend the meeting due to illness. Vice Chair Yamanaka chaired the meeting in her place. The Vice Chair called the meeting to order at 11:10 a.m., at which time quorum was established.

Vice Chair's Report: The Vice Chair welcomed Vicky Hammond, the incoming Chair of the Montana Board Realty Regulation and further noted that she is also past Education Chair of the Montana Board Realty Regulation.

Sr. Real Estate  
Specialist's Report:

Minutes of Meetings

Upon a motion by Commissioner Rice, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the minutes of the December 12, 2002, Education Review Committee meeting as distributed.

Continuing Education:

Administrative Issues

**Renewals/CE Requirements/ 2002 Salespersons Statistics**

Specialist Arata reported that as of January 7, 2003, 8,579 licensees completed their continuing education requirement and 1,216 new real estate salespersons were licensed in 2002.

Applications

**2003-2004 Continuing Education Providers and Courses Ratification List**

Upon a motion by Commissioner Okawa, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

| <u>Registration/Certification</u>   | <u>Effective Date</u> |
|---|-----------------------|
| <b>Provider (s)</b>   |                       |
| REALTORS® Association of Maui, Inc.<br>(Administrator: Judi Pasco and Jane Ortiz) | January 1, 2003       |
| Kauai Board of REALTORS®<br>(Administrator: Karen Ono)                            | January 1, 2003       |
| Kona Board of REALTORS®<br>(Administrator: Jacqueline Parkinson)                  | January 1, 2003       |
| Waikiki Realty Real Estate School<br>(Administrator: George K. Yamashiro)         | January 1, 2003       |
| Dower School of Real Estate<br>(Administrator: Elizabeth L. Dower)                | January 1, 2003       |
| <b>Course(s)</b>  |                       |
| "Disclosure Law in Hawaii"<br>(Thomas J. Douma)                                   | January 1, 2003       |

**Course – “Methodologies to ‘Listing’ the Buyer,” Author/Owner: Jim Hogan and Curtis Hall, Providers: Kona Board of REALTORS® and Maui Board of REALTORS®, Course Category: Other – Buyer Agency, Clock Hours: 3**

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend approval of “Methodologies to ‘Listing’ the Buyer” as a three clock hour continuing education elective course, under the course category Other – Buyer Agency.

Continuing Education Core Course & Other Jurisdictions – Arizona Department of Real Estate

SEO Kimura reported that previously the Commission decided to contract with a consultant to write the Commission’s core course for 2003-2004. Staff is currently working on the RFP and attempting to secure a list of interested vendors. Any interested vendor should contact the Senior Real Estate Specialist for more information. Staff is also looking for a long range solution to the Commission’s core course issue as well as core course in general. Currently all core courses require 4 classroom hours whose subject matter shall be on laws and rules update and ethics.

SEO Kimura reported that based on a conversation with Ms. Kathy Howe, CE provider and real estate broker, she recommends that the Commission review and consider the Arizona Department of Real Estate’s laws, rules and programs on education, especially continuing education. She provided a briefing on how Arizona handles its mandatory core courses, in that, the Arizona licensee needs to complete 18 hours in mandatory courses of the 24 hours required every two years. The categories of the mandatory courses are agency, Commissioner’s standards, contract law, disclosures, fair housing, and real estate legal issues. Each course is 3 hours. It is recommended as a long range consideration, that the Commission consider that mandatory core courses be set by topics and each CE provider can develop its own course for a topic.

Ms. Hammond of the Montana Board Realty Regulation reported that in Montana there is no specific core course. Montana has a topic list which consists of nine different topics. Licensees need to take one four-hour course from the mandatory topic list each year and 8 elective hours each year, totaling 12 continuing education hours per year.

Ms. Hammond further reported that the licensee completes an affidavit upon completion of the CE requirement. The only time the Board would receive the continuing education certificates, etc., would be when the licensee is audited. Currently 30% of the licensees are audited via a computer generated list. The Montana Board Realty Regulation is working on a new program to go into effect at the end of the year whereby the provider or instructor would upload the CE information to the Board online to inform them of the CE completion. The providers issue their own CE certificates.

SEO Kimura reported by history, to pass the original continuing education bill in 1987 (Act 95), the real estate industry and Commission agreed to keep the costs of administration by the Department to a minimum and the “cottage industry” that

would benefit from mandatory continuing education along with the licensees will have to bear most of the costs of administration. This was agreed upon again when continuing education became permanent law in 1995. These agreements were because of the Auditor's continuous objection to continuing education for real estate licensees. This was reiterated when the Commission offered to have the whole continuing education program privatized and agreed to a study by the Legislative Reference Bureau. The study, "Privatizing Continuing Education of Real Estate Brokers and Salespersons in Hawaii," was presented to the 1997 legislature.

As reported previously at the November 13, 2002 meeting concerning CE certificates, that under §16-99-94 and §16-99-112, the CE provider shall issue Commission continuing education certificates to each licensee who completes a CE course for CE credit, restoration of forfeited license credit, and meeting education requirements under a disciplinary order. The certificates are utilized as a record to the real estate licensee and CE provider, proof to the principal broker to ensure compliance with §467-1.6, backup record to the computer based record to the Department, submission with late renewals and restoration of forfeited licenses, and submission for compliance with disciplinary orders. The Commission develops the continuing education certificates and the CE provider remits a fee of \$1 per certificate. The certificates are color coded based on whether a mandatory core course or elective course and the applicable licensing biennium. The certificates are color coded for the purpose of ease of administration for the Licensing Branch, Real Estate Branch, and CE providers. The Commission develops the certificates to ensure ease of administration as well as security since it would be labor intensive to review different certificates for almost 1,000 courses given by CE providers. "REC" security punched holes are for security purposes. Karyn Takahashi, one of our clerical staff support, has been working on printing the certificates in-house versus going through a vendor for the printing and duplicating. She has developed a solution and we can produce the certificates in house. The fee assessed per certificate cover the cost of the paper, printing, security measures, trouble shooting any certificate problems, and handling of the certificates. After twelve years into the continuing education program there has been a decline in the problems with the certificates. With the production of the certificates in-house and the drop in problems handling the certificates, staff would recommend that the fee for the certificate be reduced from \$1 to 50 cents at the next rule making amendments to Chapter 53, Hawaii Administrative Rules, relating to fees. Per our discussion with the Deputy Attorney General, the Commission has no authority to reduce the fee at this time and the fee can only be reduced when Chapter 53 rules are officially amended.

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend reducing the fee from \$1.00 to \$.50 per certificate when the Department of Commerce and Consumer Affairs initiates the next rule amendments for Chapter 53, Hawaii Administrative Rules, §16-53-39(18).

Ms. Hammond noted that five years ago the Realty Board set topics of mandatory courses and dictated them on the number of complaints received in particular areas. A menu of topics was established through this system. The topics are reviewed and should the list change, the licensees are made aware of

this by October 1 of the current year. Ms. Hammond also noted that the licensees in Montana need to take a total of at least 4 hours from any mandatory topic.

Commissioner Rice clarified that Montana is changing its policy from no certificate requirement and random auditing to auditing of all licensees by information provided through the provider.

Ms. Hammond reported that Montana at one time required the submittal of certificates prior to the change to affidavits and random auditing. The licensing requirements also changed from one year license renewal period to 3 year license renewal periods. One continuing education class could run from one hour to eight hours and Ethics is a mandatory topic.

Marsha Shimizu of the Hawaii Association of Realtors stated that having topics for the core course gives a greater flexibility both to the provider and the licensee.

Scott Sherley noted that Montana has taken a step in the right direction when looking at choices of mandatory core courses and the allowance of different hours per core course.

Terry Tolman acknowledged that he has seen a positive improvement with Hawaii's continuing education program with the new Access program and submission of completion information via email.

Ms. Hammond reported that if a licensee has not met all of their continuing education requirements the Realty Board would submit a complaint to the complaints office and there may be a possibility of license revocation.

Prelicense Education: Administrative Issues

**Seiler School of Real Estate Independent Study Course Evaluation Forms  
(2)**

Two evaluations were distributed to the Commissioners for their information.

Applications

**2003-2004 Prelicensing Education Schools and Instructors Ratification List**

Upon a motion by Commissioner Rice, seconded by Commissioner Imanaka, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

Registration/Certification

Effective Date

**School(s)**

Century 21 Real Estate School  
(Principal: Ralph S. Foulger)

January 1, 2003

Dower School of Real Estate  
(Principal: Elizabeth L. Dower) January 1, 2003

Premier Realty 2000, Inc.  
(Principal: Susan Yoshioka) January 1, 2003

**Instructor(s)**

Elizabeth L. Dower  
(Salesperson/Broker curriculum) January 1, 2003

Ralph S. Foulger  
(Salesperson/Broker curriculum) January 1, 2003

**Preliminary Instructor – M. Russell Goode, Jr. – Request for instructor recertification approval prior to taking January 4, 2003 Instructor's Exam**

Specialist Arata reported that Mr. Goode passed the instructor's exam on January 4, 2003.

Upon a motion by Commissioner Rice, seconded by Commissioner Okawa, it was voted on and unanimously carried to recommend approval of M. Russell Goode, Jr.'s instructor recertification application.

Ms. Hammond reported that Montana does not require an instructor's exam, but instructors need to demonstrate proof of a course taken, i.e., REEA class or Instructor's Development Workshop completion.

Ms. Shimizu reported that HAR will be holding its upcoming IDW in April or May. Originally the IDW was scheduled to be offered in March, but due to medical reasons, the speaker is unable to attend the IDW. HAR is currently looking for a replacement instructor.

Administration of  
Examinations:

Promissor

SEO Kimura reported that the extension of the contract with Promissor was successful. The extension is for another 5 year term with the fee remaining the same. The collection of the fees may change to collection up front at time of registration via a major credit card or debit card.

**Test Development and Scenario Exam Items**

Specialist Arata reported that the test development and scenario exam item writing session is scheduled to be held March 13 and 14, 2003.

**Exam Monitoring** – Staff will be monitoring the Maui site on January 11, 2003.

Educator's Forum:

**REALTORS® Association of Maui** – Mr. Tolman was concerned with the lack of IDWs available and would like to see an increase in IDWs with better topics. He also voiced his concerns that there should be a standardized process for instructors providing the training for an IDW.

Judy Pasco noted that it takes too much time and coordination to get a national instructor approved with the commission to teach an IDW.

Commissioner Rice was excused at 11:45 a.m.

**Hawaii Association of REALTORS®** – Ms. Shimizu informed the committee that she would update them on the status of the upcoming IDW as soon as a specific date is set.

Mr. Sherley reported that the offering of online renewals this year made renewing a lot easier and quicker. The availability of licensee information online has been tremendously helpful. He further thanked the Real Estate Branch staff for being very helpful. Mr. Sherley has begun a new office policy whereby his office has one person which is the contact person with the Commission or Licensing Branch.

**Hawaii Chapter of Real Estate Educators Association** – No discussion presented.

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

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

**Others** – Harvey Janis, representing the Condominium Council of Maui, distributed a written report completed by his wife, Lois Janis, who was at the time meeting with a condominium specialist. Mr. Janis reported that in 2002, Mrs. Janis submitted an educational funding proposal for a six month pilot project but withdrew her request when it became apparent that the vision of the proposal did not meet Commission funding guidelines. The first forum was held with little advertising but received a larger than expected number of attendees, approximately 57 individuals. The purpose of the forums is for owners to identify their common everyday problems and find effective solutions. Mr. Lois also reported that Mrs. Lois has completed fifteen videos and a book entitled "Alice in Condoland" and has received a lot of positive feedback from the community.

Vice Chair Yamanaka thanked the Lois' for sharing this information with the committee and further reported that the Lois' had intended on submitting their written report to the Condominium Review Committee meeting but were unable to attend the meeting this morning.

Program of Work: [Annual Report, Quarterly Bulletin, and School Files](#)

The next issue of the Quarterly Bulletin and School Files is anticipated to go out in February 2003. Commissioner Abrams will be submitting an article for the Hawaii Realtors Journal, with a deadline date of February 7, 2003.

Budget and Finance Report: None.

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Next Meeting: February 12, 2003  
10:00 a.m.  
Kapuaiwa Room  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Adjournment: With no further business to discuss, Vice Chair Yamanaka adjourned the meeting at 11:54 a.m.

Respectfully submitted by:

/s/ Lorene K. Arata  
Lorene K. Arata  
Real Estate Specialist

February 12, 2003  
Date

[ X ] Minutes approved as is.  
[ ] Minutes approved with changes.