

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 7, 2005

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: Vern Yamanaka, Chair/ Broker / Hawaii Commissioner
Carol Mae Ball, Vice Chair/ Broker / Maui Commissioner
Louis Abrams, Broker / Kauai Commissioner
Kathleen Kagawa, 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 Fujitani, Executive Officer
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Recording Secretary

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Alicia Maluafiti, Hawaii Association of REALTORS®
Janice Lind, All Professional Hawaii Realty
John Sherman, All Professional Hawaii Realty
Elizabeth Dower, Dower School of Real Estate
Scott Provost, FAST Defense Instructor
Manuela Summers, FAST Defense Instructor

Absent: Stanley Kuriyama, Broker / Honolulu Commissioner

Call to Order: Chair Yamanaka called the meeting to order at 9:44 a.m., at which time quorum was established.

Chair's Report: No report presented.

Sr. Real Estate Specialist's Report: Addition to the Agenda
Upon a motion by Commissioner Ball, seconded by Commissioner Abrams, it was voted on and unanimously carried to add the following item to the agenda:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - b. Applications – Course – “Fast Defense for Realtors;”
Author/Owner: Scott Provost; Provider: Akahi Real Estate Network, LLC; Course Category: Other; Clock Hours: 3

Minutes

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the November 9, 2005, Education Review Committee meeting as distributed.

Continuing Education: Applications

Course – “Fast Defense for Realtors;” Author/Owner: Scott Provost; Provider: Akahi Real Estate Network, LLC; Course Category: Other; Clock Hours: 3

Scott Provost and Manuela Summers, FAST Defense instructors, were present to answer questions regarding the course application of “Fast Defense for Realtors.”

Ms. Summers informed the Commissioners that in addition to being an instructor, she has a real estate salesperson’s license.

Mr. Provost stated that the program covers different areas, including teaching licensees how to take proactive measures that will help to prevent the licensee from feeling vulnerable. The course will also teach the verbal skills. The program has been tailored specifically for real estate licensees. Mr. Provost informed the Commissioners that they are doing a special program for RE/MAX on Friday morning.

Ms. Summers noted that they do have different self-defense programs available. The program that they are offering has approximately 5% bodily contact. They have appeared twice before the Hawaii Island Board of REALTORS at their general meetings.

Commissioner Okawa noted that the proposed curriculum is not directly related to the real estate licensing laws or rules. She is concerned that the content does not apply to the licensing laws and rules.

The statutes states that the continuing education courses shall be designed to improve a licensee’s competency or professional standards and practice and that they shall be designed to allow students to exceed minimal entry level competency in the subject matter of the course, including consumer protection in real estate transactions.

The applicants have not demonstrated how the course would fit into the law.

Commissioner Okawa noted that because of the statutory limitations, the Commission is constrained in what courses can be approved, although the Commission does recognize the value of such a course.

Commissioner Ball moved to take this matter under advisement.

Commissioner Abrams stated that he would like to have his licensees attend the course as a part of their professional development.

Commissioner Kagawa seconded the motion. The motion was voted on. Commissioner Abrams voted against the motion. The motion was carried.

Education Evaluation Task Force

Report on November 18, 2005 meeting

A copy of the report of the November 18, 2005 EETF meeting was distributed to the Commissioners for their information.

Commissioner Nishihara reported that the EETF had reviewed the three handouts that were submitted by Mr. Richardson and had decided to redo the three handouts. The EETF also looked at increasing the continuing education hours from 10 to 16 hours and requiring the licensees to take the law updates annually instead of every two years.

Preliminary Education: Administrative Issues

Evaluations – Independent Study

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

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

Salesperson's Curriculum

Specialist Kimura reported that the salesperson's curriculum has been completed. The three handouts have not been completed as yet. The EETF will be reviewing the handouts once they have been completed. The EETF will be meeting in January 2006 and hopes that the handouts will be ready for their review at that time.

Other

Elizabeth L. Dower, Dower School of Real Estate, issue

Elizabeth L. Dower was present at the meeting to discuss her questions and concerns relating to the real estate broker's prelicensing course.

Ms. Dower stated that she does not have anything against increasing the educational hour requirement and requiring criminal background checks.

Ms. Dower distributed a copy of the real estate broker examination content outline with her notations on the areas that are similar and different from the real estate salesperson's examination content outline. She stated that the majority of the items are similar, with the exception of items V and VII. She noted that there are some areas that can be combined, which would help the courses being offered to be more cost effective for the schools, rather than teaching two separate classes.

Ms. Dower informed the Commissioners that she has been teaching prelicensing classes since the 1980s.

Ms. Dower was asked to explain how she would separate the real estate broker's and the real estate salesperson's sections. Ms. Dower stated that the extra hours would be taught entirely separate from the real estate salesperson's course.

Ms. Dower noted that there is a higher passing rate for the real estate broker's final examinations. If the student does not pass the exam, she does not charge them the second time.

Ms. Dower explained that she had been teaching a combined real estate salesperson's and broker's class and was informed by REB staff that the classes were not to be combined.

Specialist Kimura reported that when the new real estate broker's curriculum was approved, the broker's curriculum was no longer in line with the new real estate salesperson's curriculum. As a result, the classes could not be combined.

The Commission felt that the real estate broker candidates should already know what the real estate salesperson candidates are being taught and should be at a higher level of learning. As an example, a real estate salesperson candidate may learn the definition of agency relationships, whereas, a real estate broker candidate would be learning the application of the law. The real estate broker candidate should be learning how it impacts him/her as a broker. The broker candidate should not be taught something that they should already know.

Ms. Dower informed the Commissioners that combining the classes is possible.

It was acceptable to combine the real estate broker's and salesperson's classes when the hourly requirement was a difference of an hour.

Ms. Lind said that she had been involved in the initial discussions and the intent was to not keep the classes combined. When the broker's curriculum was changed, a decision was made to teach the classes separately. There was a difference of approximately 30 classroom hours in the curriculums. Some schools have had the broker candidates stay after class to discuss the portions that affect the brokers.

Commission Nishihara expressed concerns that the real estate broker candidates may not be receiving adequate instruction. Some broker candidates are anticipating starting their own businesses once they receive their broker's license and may not be adequately trained to become a principal broker. The Commission wanted to ensure that the broker candidate receives information on how to apply what they have learned.

Ms. Dower said that she believes that 30 hours would cover the difference and does not have any problem with the additional hours being taught separately. It is not cost effective for the schools to teach the broker's prelicensing course to only one or two candidates. The Hawaii Academy of Real Estate was also teaching joint classes. Ms. Dower stated that having joint classes raises the learning level of the real estate salesperson candidates.

Commissioner Abrams stated that prior to allowing the conducting of joint classes, he would like to look at the two curriculums.

Ms. Lind said that there are some differences, such as in the condominium section.

Ms. Dower was asked if the real estate broker and salesperson candidates were aware that the classes were mixed. Ms. Dower answered that they are notified of this. When asked what the fees are for the classes, Ms. Dower answered that the cost of the real estate salesperson's prelicensing course, which includes two books, is \$475. The real estate broker's prelicensing course is \$1,175 and includes three books.

Commissioner Ball moved to enter into executive session, pursuant to Section 92-5(a)(4), HRS, "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

Commissioner Kagawa agreed with Commissioner Abrams that before moving forward to set the standard that every school be teaching the broker's curriculum separately and not leave it to the discretion of the schools, the Commission should study this matter.

Commissioner Nishihara seconded the motion.

Commissioner Ball withdrew her motion and Commissioner Nishihara withdrew her second.

Administration of
Examinations:

Promissor

Licensing Examination Statistics

Examination statistics for October 2005 were distributed to the Commissioners for their information.

October 2005 School Summary Reports

A copy of the October 2005 performance summary report, by school, was distributed to the Commissioners for their information. The report is derived from statistics for first time test takers.

A question was raised as to what the "NA" in the school name section of the report meant. The "NA" means that Promissor was unable to obtain the name of the school at the time the candidate signs in to take the examination. "HIREC" is used to identify those candidates who received an equivalency to the prelicensing education requirement.

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:

Neighbor Island Outreach and Real Estate Specialists' Office for the Day

The next Neighbor Island Outreach and Real Estate Specialists' Office for the Day is scheduled for Wednesday, January 11, 2006, at the REALTORS® Association of Maui's office, located at 441 Ala Makani Place, Kahului, Maui. 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.

Interactive Participation with Organizations

Hawaii REALTOR Journal – Schedule of authors for 2006

A copy of the Hawaii REALTOR Journal schedule of authors for 2006 was distributed to the Commissioners.

Open Forum: None.

Executive Session: Upon a motion by Commissioner Ball, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(4), HRS, "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

Upon a motion by Commissioner Okawa, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to move out of executive session.

Continuing Education: Applications

Course – "Fast Defense for Realtors;" Author/Owner: Scott Provost; Provider: Akahi Real Estate Network, LLC; Course Category: Other; Clock Hours: 3

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on to recommend denial of the application for the "Fast Defense for Realtors" continuing education elective course because it does not meet the present definition of continuing education courses and is more appropriately addressed by brokerage firms and principal brokers. The motion was carried.

Preliminary Education: Other

Elizabeth L. Dower, Dower School of Real Estate, issue

Upon a motion by Commissioner Okawa, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend that, based on Elizabeth Dower's letter and discussion with the ERC at its meeting, the Commission evaluate the teaching of salespersons and brokers at joint classes, pursuant to HAR § 16-99-57(b). Although the subject matters in joint classes may pertain to both salespersons and brokers, it appears that the manner in which such joint classes are presently being offered lack the depth and content level appropriate to brokers. The Commission is concerned that brokers attending joint classes with salespersons may not receive substantive training and instruction necessary for broker education. Thus, the Commission will examine and research this matter further, including discussion and communication with the prelicensing schools and instructors.

Next Meeting: Wednesday, January 11, 2006
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:30 a.m.
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui, Hawaii

Adjournment: With no further business to discuss, Chair Yamanaka adjourned the meeting at
11:05 a.m.

Reviewed by:

 s/s Lorene K. A. Kimura
Lorene K. A. Kimura
Real Estate Specialist

 January 11, 2006
Date

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