

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: August 12, 2009

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
Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner
Louis Abrams, Broker / Kauai Commissioner
Frances T. Gendrano, Broker / Honolulu Commissioner
Walter Harvey, Broker / Honolulu Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Mark Suiso, Public / Honolulu Commissioner

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

Absent: Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Calvin Kimura
Michael A. Abrams

Call to Order: The Chair called the meeting to order at 10:10 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 Loudermilk was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate
Specialist's Report:

Additional Distribution

The following was distributed as additional distribution:

6. Administration of Examinations
 - e. Test Development
 - 2) PSI Educator's Forum Report
8. Program of Work, FY10
 - e. Interactive Participation with Organizations – HAR Request

Minutes of Meeting

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the minutes of the July 8, 2009, Education Review Committee meeting.

Continuing Education: Administrative Issues

FY 2009 Continuing Education Statistics

Fiscal year 2009 continuing education statistics were distributed to the Commissioners for their information.

Applications

Provider – Michael A. Abrams; Administrator – Michael A. Abrams

Mr. Abrams was present to address questions from the Committee.

Mr. Abrams, no relation to Commissioner Abrams, stated that he has been in the real estate business for 20 years and has taught for awhile.

Commissioner Nishihara inquired if he was interested in becoming a provider for the sole purpose of offering the course "Steps to a 720 Credit Score," which is also on today's agenda for review. Mr. Abrams replied, "Yes."

**Course – "Steps to a 720 Credit Score;" Author/Owner: Philip X. Tirone;
Provider: Michael A. Abrams (application pending); Course Category:
Finance; Clock Hours: 3**

Mr. Abrams stated that he used this method on his own credit score and saw an improvement in his credit score from 680 to 720. He added that he had clients use this method and they saved \$135 a month on interest due to an improved credit score.

Chair Ball expressed concerns that this may be beyond the scope of a real estate license. Mr. Abrams replied that he offers this as a service to his clients.

Chair Ball noted that on item 7. of the application, Mr. Abrams indicates that the course enables the licensee to maintain, develop and improve the licensee's competency and professionalism in a changing market place. Mr. Abrams stated that the course will increase the licensee's competency and understanding on the different levels of credit scores.

Chair Ball stated that the Commission admonishes licensees for working outside the scope of their expertise. Mr. Abrams stated that this course helps the licensee get a better grasp on how credit works—the fundamentals of credit.

Commissioner Abrams inquired what if the licensee misses something when working with a client on his or her credit score? Is there a professional designation for individuals finishing this course? Mr. Abrams responded that anyone can grasp the information, the course is giving them basics, fundamentals.

Commissioner Nishihara stated that there are a lot of issues regarding dual licensing. There may be confusion about the role of the real estate licensee and doing the work of a loan officer. Would this course enhance the real estate licensee's knowledge, or would it confuse the consumer who may begin to view the licensee as a loan officer. Mr. Abrams replied that he does not think it would confuse the consumer as the consumer would retain a loan officer. He added that the course is just educating the licensee. Commissioner Nishihara expressed that her concern is the perception by the consumer.

Commissioner Ball stated that in the materials submitted, there was mention of a 30-day money back guarantee. Mr. Abrams responded that it was part of the original kit that was submitted as an example to show that the course was recognized nationally—it will not be part of the course.

Commissioner Abrams inquired if there will be discussion with students that they can purchase and market the course. Mr. Abrams replied no, they will just get a basic understanding of credit and credit scores.

Chair Ball pointed out that the materials state that participants will be given the opportunity to have a credit report reviewed—who will be doing the reviewing? Mr. Abrams replied that students have the opportunity to bring in their own credit report and he will review them and provide suggestions.

At this time, Senior Specialist Choy reviewed section 16-99-101, Hawaii Administrative Rules, courses not acceptable for continuing education course certification, and the definition of "continuing education" as stated in Chapter 99, Hawaii Administrative Rules.

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

Provider – Michael A. Abrams; Administrator – Michael A. Abrams

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

Elective Courses

Issuing of CE Course Completion Certificates

Senior Specialist Fujimura reported that since the implementation of the online continuing education system, continuing education course completion certificates are available online, and students can print their own original or duplicate course completion certificate.

Staff is seeking clarification as to whether continuing education providers are allowed to issue to each student the continuing education course completion certificate by providing the student with electronic access to a link where they may download and print their course completion certificate or must the continuing education provider provide a hard copy of the course completion certificate to the student?

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to allow continuing education providers to provide a link for students to print their own continuing education course completion certificates; however, if the student does not have computer/internet access, the continuing education provider must provide a process for the student to receive the hard copy of their continuing education course completion certificate.

Evaluation and Education Program

Course and Instructor Evaluations (9)

Copies of evaluations of the 2009-2010 Core Course Part A taught by various instructors were distributed to the Commissioners for their information.

The Commissioners were encouraged to provide evaluations of the continuing education courses they attend.

Prelicensure Education: Administrative Issues

FY 2009 Prelicensure Education and Equivalency Statistics

Fiscal year 2009 prelicensure education and equivalency statistics were distributed to the Commissioners for their information.

Evaluation and Education Program

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

- Abe Lee Seminars; Independent Study On-Line (1)
- Seiler School of Real Estate (5)

Administration of
Examinations:

Pearson VUE

Licensing Examination Statistics – June 2009

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

School Pass/Fail Rates – June 2009

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

School Summary Reports – June 2009

Copies of the June 2009 performance summary reports, by school, were distributed to the Commissioners for their information. The report is derived from statistics for first-time test takers.

PSI

Status Report – Transition

A written report was distributed to the Commissioners for their information.

Specialist Endo reported that testing rolled out on July 1, 2009, and is going relatively well. She stated that PSI's method of reviewing test questions is very different from the previous test company, which is an adjustment, but the new test administrator has years of experience in using this method.

Specialist Endo reported that the Big Island currently has a temporary test site; however, there will soon be a permanent test site in Waimea.

Specialist Endo also reported that PSI offers an electronic reporting tool, which can be utilized to obtain reports based on different criteria. Providers also have access to the electronic reporting tool and may receive reports on their own school.

Lastly, Specialist Endo reported that the overall pass rate is at 25%, which, as explained by PSI, is typical when transitioning to a new test company. It normally takes an average of 3 to 4 months to see the pass rates settle into a stable pattern.

SEO Fujitani stated that PSI has made an effort to work with the industry. PSI made special arrangements on the Big Island for examinations to coincide with the conclusion of current prelicense classes.

Licensing Examination Statistics – July 2009

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

School Pass/Fail Rates – July 2009

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

School Summary by Test Category – July 2009

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

Test Development

PSI Test Development Report

A report on the PSI test development held on June 3 – 4, 2009, was distributed to the Commissioner for their information.

PSI Educator's Forum Report

Reports on PSI's educators forum held on June 30, 2009, were distributed to the Commissioners for their information.

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

June 2009 *Bulletin*

Senior Specialist Fujimura reported that the hardcopy of the June 2009 issue of the real estate *Bulletin* was received in-office on August 11, 2009. This is the second issue that is being handled by the new printing vendor and there have been problems—mainly complying with postal requirements. She reported that the web version of the June 2009 issue was available on-line in June.

Senior Specialist Fujimura also noted that there were numerous errors with the printed version of the *Bulletin* which does not match the on-line version and will follow up with the vendor.

At this time, Senior Specialist Fujimura reported that a Request for Quotations for the editing of the real estate and condominium bulletins was issued via the Hawaii electronic Procurement System ("HePS") on August 7, 2009, with a submission deadline of August 14, 2009.

Real Estate Seminars / Instructor's Development Workshop

Senior Specialist Fujimura reported that at the end of 2008, the Commission's agreement with the Hawaii Association of REALTORS® was renewed; however, since then, staff was notified of a potential procurement law violation and cancelled the renewal of the agreement. Subsequently, a new Request for Quotations ("RFQ") to assist the Commission in developing and presenting at least one Instructor Development Workshop and Real Estate Seminar during the 2009-2010 biennium was issued via the HePS system on August 6, 2009, with a submission deadline of August 12, 2009. She noted that the RFQ included a one-time renewal as the small purchase ceiling has been raised to \$100,000 from the prior ceiling of \$50,000.

Senior Specialist Fujimura reported that she anticipates receiving more than one quote, as there have been inquiries regarding the RFQ.

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

A report on the Neighbor Island Outreach / Real Estate Specialists' Office for the Day held on Kauai on July 8, 2009, was distributed to the Commissioners for their information.

Interactive Participation with Organizations

HAR Request

As discussed at the August 12, 2009, Laws and Rules Review Committee meeting, at least one staff member and one Commissioner and Commissioner alternate to participate in one or more task forces to be formed by the Hawaii Association of REALTORS® ("HAR") dealing with the issues of background checks and increasing education requirements. The SEO will be in discussion with HAR to determine the participants and other related issues.

ARELLO, REEA and
Other Organizations:

Report of REEA Conference 2009

A report of the Real Estate Educators Association 2009 Conference attended by Chair Ball, Commissioner Gendrano, and SEO Fujitani, was distributed to the Commissioners for their information.

Open Forum: None.

Budget and Finance: No report.

Executive Session: Upon a motion by Commissioner Nishihara, seconded by Commissioner Suiso, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both."

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

Continuing Education: Applications

**Course – "Steps to a 720 Credit Score;" Author/Owner: Philip X. Tirone;
Provider: Michael A. Abrams (application pending); Course Category:
Finance; Clock Hours: 3**

After review of the information presented by the applicant, Commissioner Abrams moved to deny the certification of "Steps to a 720 Credit Score" based on section 16-99-101(7), Hawaii Administrative Rules. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

Provider – Michael A. Abrams; Administrator – Michael A. Abrams

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to defer decision making on this application to the Education Review Committee meeting scheduled for Wednesday, September 9, 2009.

Next Meeting:

Wednesday, September 9, 2009

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 11:05 a.m.

Reviewed and approved by:

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

August 31, 2009
Date

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