

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: September 9, 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
Michele Sunahara Loudermilk, Public / 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

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Aron Espinueva, Hawaii Association of REALTORS®
Arabel Camblor, Hawaii Association of REALTORS®
Myoung Oh, Hawaii Association of REALTORS®
Rowena Cobb, Hawaii Association of REALTORS®
Michael A. Abrams
Scott Alan Bly, Esq.

Call to Order: The Chair called the meeting to order at 10:03 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.

Real Estate
Specialist's Report:

Additional Distribution

The following was distributed as additional distribution:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - b. Applications
 - 12) Provider – Pacific One Mortgage, Inc.; Administrator – John Murphy

Addition to Agenda

Upon a motion by Commissioner Aiona, seconded by Commissioner Suiso, it was voted on and unanimously carried to add the following to the agenda:

8. Program of Work, FY10
 - h. Instructor's Development Workshop – HAR Proposal

Minutes of Meeting

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to accept the minutes of the August 12, 2009, Education Review Committee meeting.

Continuing Education: Applications

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

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

Commissioner Nishihara asked Mr. Abrams what his plans were if approved as a continuing education provider. Mr. Abrams responded that he plans to offer the Commission's core course and, over the next few months, devise courses that he authors himself and provide them, if approved.

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve Michael A. Abrams as a continuing education provider.

Course – “Starting a Successful Brokerage;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Broker Management; Clock Hours: 6

Chair Ball stated that handouts for the online courses up for review are not provided because they are online. She requested that in the future, if possible, for review purposes, access to the online course be provided.

Commissioner Abrams stated that he does not think it is appropriate to spend a great deal of time on how to run your business, and cannot see how the consumer will get any benefit from a licensee attending this course.

Commissioner Aiona opined that if she had some of this knowledge provided in this course it would have been useful.

Chair Ball stated that this is a good course for a post-licensing broker's course.

Commissioner Nishihara questioned if there was a method for interaction between the student and the instructor for the online course. Commissioner Ball stated that it is not apparent from the course outline.

Commissioner Loudermilk noted that the majority of the course is regarding starting a business. Commissioner Kuriyama agreed and stated that the course does not improve practicing the real estate profession, and appears to be geared towards a generic business.

Commissioner Nishihara moved to deny certification of "Starting a Successful Brokerage" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Abrams seconded the motion. The motion was voted on and unanimously carried.

Course – “People Management in Real Estate;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Broker Management; Clock Hours: 3

Commissioner Abrams stated that the course talks about managing your agents—it could be a good course, but it is not of continuing education quality.

The Commissioners believed that the course may be too generic and not beneficial to the consumer.

Commissioner Abrams moved to deny certification of "People Management in Real Estate" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Kuriyama seconded the motion. The motion was voted on and unanimously carried.

Course – “Minimizing Risk with Effective Practices;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Risk Management; Clock Hours: 3

Commissioner Ball stated that she believes the course covers too many topics and she has concerns about how in-depth the course is.

Commissioner Nishihara has concerns that the topics would not relate to Hawaii standards and requirements.

Commissioner Kuriyama stated, as a reminder, that the Hawaii Administrative Rules prohibit courses which teach office and business skills, sales psychology, and time management. He added that, in his opinion, this course is geared more towards business management.

Commissioner Kuriyama moved to deny certification of "Minimizing Risk with Effective Practices" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Course – “Leading and Communicating Effectively;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Broker Management; Clock Hours: 3

The Commissioners believe that the course is too generic and specific to real estate, although expanding on Unit 3, "Policies and Procedures Manual," would be a good focus for a course.

Commissioner Abrams moved to deny certification of "Leading and Communicating Effectively" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Course – “Ethics: Pricing, Offers & Advertising;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Other – Ethics; Clock Hours: 3

The Commissioners agreed that the focus of the material is on the National Association of REALTORS® Code of Ethics and addresses REALTORS® throughout the course. They felt that the course should amend terminology to be inclusive of all real estate licensees.

Commissioner Kuriyama moved to defer decision making on this application and allow the author to revise the course materials. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Course – “Ethics: Disclosure & Cooperation;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Other – Ethics; Clock Hours: 3

The Commissioners agreed that the focus of the material is on the National Association of REALTORS® Code of Ethics and addresses REALTORS® throughout the course. They felt that the course should amend terminology to be inclusive of all real estate licensees.

Commissioner Kuriyama moved to defer decision making on this application and allow the author to revise the course materials. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Course – “Introduction to Brokerage Management;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Broker Management; Clock Hours: 3

The Commissioners agreed that that the course is too generic and appears to address business management and not, specifically, real estate brokerage management.

Commissioner Abrams moved to deny the certification of "Introduction to Brokerage Management" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Course – “Credit Scoring;” Author/Owner/Provider: ProSchools, Inc.; Course Category: Finance; Clock Hours: 3

The Commissioners agreed that the course topic is not within the professional expertise of real estate licensees.

Commissioner Abrams moved to deny the certification of "Credit Scoring" as a continuing education elective course based on sections 16-99-100(12) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

**Course – “Understanding Settlement and the Settlement Statement;”
Author/Owner: Scott Alan Bly, Esq.; Provider: Dower School of Real Estate;
Course Categories: Real Estate Law and Finance; Clock Hours: 3**

Mr. Bly was present to address any questions and/or concerns.

Commissioner Gendrano recused herself from discussion and voting on this matter.

Mr. Bly stated that this course was previously denied and he incorporated changes from the feedback received. Mr. Bly stated that he has asked students what topic they would like to see as a continuing education course. Many of the licensees want a class on settlement statements—how can they help their clients if they do not fully understand the settlement statement themselves.

Commissioner Ball stated that this is a good, well put together course; however, this topic is covered in-depth in the precense course and the rules state that a course must be beyond professional entry level. Mr. Bly responded that he also teaches the precense course and stated that in the precense course, they do not go nearly as in-depth and detailed as the course he is proposing.

Commissioner Ball stated that the rule is clear and a continuing education course must fall within particular guidelines and asked Senior Specialist Fujimura to recite the rule. Senior Specialist Fujimura quoted section 16-99-100(a)(3), "Criteria for approving and certifying continuing education courses. (a) The commission may approve and certify a continuing education course when the course satisfies all of the following: . . . (3) Is developed for a knowledge and abilities level beyond "professional entry.""

Commissioner Suiso questioned how the course goes beyond basic entry level. Mr. Bly responded that the course goes into the little details, for example what "POC" stands for, etc.—in his opinion, the course is clearly outside entry level issues that are not dealt with in the precense course.

Commissioner Nishihara noted that if Mr. Bly wants to do a course on settlement statements the course should be focused on settlement statements, for example the course covers mortgage related items, finance charges, and mortgage points. Mr. Bly stated that points do show up on the settlement statement.

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

**Provider – Property Merchants Inc. dba All Islands Real Estate School;
Administrator – Cheryl Dillon**

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve Property Merchants Inc. dba All Island Real Estate School as a continuing education provider.

Provider – Pacific One Mortgage, Inc.; Administrator – John Murphy

Commissioner Loudermilk moved to approve Pacific One Mortgage, Inc. as a continuing education provider. Commissioner Abrams seconded the motion. Commissioners Ball, Aiona, Abrams, Gendrano, Harvey, Kuriyama, Loudermilk and Suiso voted aye. Commissioner Nishihara voted nay. The motion was carried.

Course – “Extraordinary Business;” Author/Owner: John Murphy, Pacific One Mortgage, Inc.; Provider: Pacific One Mortgage, Inc. (application pending); Course Category: Other – Business Development & Current Programs; Clock Hours: 4

The Commissioners noted that the course seems too broad and generic and does not focus specifically on real estate brokerage business. Also, the inclusion of different mortgage programs is not within a real estate licensee's field of expertise.

Commissioner Aiona moved to deny the certification of "Extraordinary Business" as a continuing education elective course based on sections 16-99-100(a)(3) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Loudermilk seconded the motion. The motion was voted on and unanimously carried.

Course – “Foreclosures, Short Sales, REOs & Auctions;” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate; Course Category: Other – Foreclosure, Short Sale, REOs, Auctions, Clock Hours: 3

Senior Specialist Fujimura reported that this is a Dearborn course and noted that as in other Dearborn courses, they will not edit the course to meet specific State demands; however, if it is being offered as a live course, the instructor has the discretion to embellish the course.

The Commissioners noted that the topic is timely, but the content is too basic and not specific enough to be relevant and instructive to attendees. They also noted that the course needs to be very precise in processes and procedures, especially as it relates to Hawaii practice.

Commissioner Aiona moved to deny the certification of "Foreclosures, Short Sales, REOs & Auctions" as a continuing education elective course based on sections 16-99-100(a)(3) and 16-99-101(7), Hawaii Administrative Rules. Commissioner Abrams seconded the motion. The motion was voted on and unanimously carried.

Course – “Ethics in Today’s Real Estate World;” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate; Course Category: Other – Ethics/Code of Ethics; Clock Hours: 3

The Commissioners questioned if this course may be completed to satisfy the National Association of REALTORS® quadrennial ethics continuing education requirement for its members.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Nishihara, it was voted on and unanimously carried to defer decision making on this application until such time that documentation is received from the National Association of REALTORS® that verifies the Dearborn course "Ethics in Today's Real Estate World" may be completed to satisfy the National Association of REALTORS® quadrennial ethics continuing education requirement for its members.

Course – “Understanding 1031 Tax-Free Exchanges;” Author/Owner: Dearborn Real Estate Education; Provider: Dower School of Real Estate; Course Categories: Property Ownership and Development, Other – 1031 Exchange; Clock Hours: 3

Upon a motion by Commissioner Abrams, seconded by Commissioner Aiona, it was voted on and unanimously carried to approve "Understanding 1031 Tax Free Exchanges" as a three credit hour continuing education elective course, under the course categories Property Ownership and Development and Other – 1031 Exchange.

Evaluation and Education Program

Course and Instructor Evaluations (2)

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

Prelicense Education: Evaluation and Education Program

Copies of evaluations of the independent study course from the following prelicense school was distributed to the Commissioners for their information:

- Abe Lee Seminars; Independent Study On-Line (8)

Administration of Examinations:

PSI

Licensing Examination Statistics – August 2009

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

School Pass/Fail Rates – August 2009

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

School Summary by Test Category – August 2009

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

Status Report

A PSI status report was distributed to the Commissioners for their information.

Specialist Endo noted that the Big Island site in Honokaa will begin testing on September 12, 2009, and offer testing every other Saturday each month.

Exam Monitoring

The evaluation of the Honolulu test site monitoring held on August 26, 2009, was 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

Request for Quotations – Edit and layout of Real Estate Bulletin and Condominium Bulletin

Senior Specialist Fujimura reported that the Request for Quotations for the editing and layout of the real estate and condominium bulletins issued via the Hawaii Electronic Procurement System closed on August 14, 2009. Six quotations were received. Copies of the bidders' quotations, resumes and samples of previous work were distributed to each Commissioner for their perusal.

Senior Specialist Fujimura added that each bidder is aware of the requirement of having to compile and write the administrative actions for each issue of the Real Estate Bulletin.

Commissioner Kuriyama moved to defer decision making on this matter and request the lowest bidder provide original samples of previous work and references. Commissioner Aiona seconded the motion. The motion was voted on and unanimously carried.

Interactive Participation with Organizations

HAR/REC Task Force – CE Hours and Broker Post-Licensing – ARELLO information provided

Information that was provided to members of the task force was shared with the committee.

Real Estate Seminars / Instructor's Development Workshop

Ms. Marsha Shimizu reported on the Hawaii Association of REALTORS® (HAR) proposed IDW. She stated that although the committee recommended eliminating the second day of the program, which is the video portion, they felt that it is an important component of the program. The students will be able to view themselves and they will receive a copy of the video from the videographer. In addition, each attendee will receive critiques and comments from fellow students.

Ms. Arabel Camblor stated that the objectives they had in mind were to develop new instructors as they are experiencing a shortage of instructors on the Neighbor Islands. They were also receiving feedback from students that they were seeing the same classes being offered, and they were not receiving new information. Ms. Camblor added that it is always good to find innovative ideas.

Ms. Camblor commented that the second day of the program gives the students the opportunity to view themselves as class participants see them.

Chair Ball stated that she approves of the content and learning objectives, but feels the move should be towards more activity by the students and felt that there should be a practice session with each module rather than the video session.

Chair Ball also questioned what activities are implemented within the PowerPoint slides. Ms. Shimizu responded that there will be a lot of discussion initiated and pointed out that there is a report/improvement card after each module where students are able to rate themselves on the skills covered in the specific module.

Chair Ball had concerns about the activity/participation level of attendees of the proposed IDW.

Ms. Shimizu stated that this is a basic level IDW. HAR's plan is to propose an advanced IDW next year—they want to cover all the bases. With this proposed basic IDW, they want to bring in and identify new instructors.

Commissioner Nishihara stated that this proposed IDW is to develop a new instructor, but we would like to improve the skills of an existing instructor—how do we improve them to become better instructors. This is teaching skills rather than enhancing skills. Ms. Shimizu responded that those seasoned instructors would take the second IDW.

Commissioner Nishihara stated that the question is should there be an IDW for new people? There may be misunderstanding on the part of seasoned instructors of the intent of this IDW.

Ms. Shimizu surmised from the discussion that the Committee's goal is to focus on current instructors. Ms. Camblor surmised that the Committee would like to see the IDW reduced to one day and see more specific activities in which students can practice and participate in the skills presented.

Commissioner Ball stated that the Committee would like to see a course that is not introductory but in-depth and focused on a particular skill. The Committee does not oppose a beginning course, but does not feel it is appropriate to sponsor a beginning course.

Ms. Camblor stated that the goal then is to attract experienced instructors in the field. Commissioner Ball responded not attract, but educate.

Senior Specialist Fujimura stated that she sees value in encouraging a new crop of instructors. Furthermore, the HAR proposal calls for a beginning level IDW, like the one being discussed, and an advanced level IDW to be offered later next year.

Commissioner Abrams stated that he is agreeable to a beginning course knowing that there will be an advanced course to follow.

Commissioner Kuriyama moved to defer decision making on this issue with the following recommendations:

- 1) Increase the level of student interactivity by use of specific learning activities to practice and participate in to develop different teaching skills;
- 2) Evaluate and establish the need for the videotaping of students for a one-and-a-half day workshop; and
- 3) Clarify what level of training is to be provided.

Commissioner Aiona seconded the motion. The motion was voted on and unanimously carried.

Open Forum: None.

Budget and Finance: Real Estate Education Fund

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the Real Estate Education Fund report for fiscal year ending June 30, 2009.

Executive Session: Upon a motion by Commissioner Aiona, seconded by Commissioner Nishihara, 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;" and 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 Suiso, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to move out of executive session.

Continuing Education: Applications

Course – "Understanding Settlement and the Settlement Statement;"
Author/Owner: Scott Alan Bly, Esq.; Provider: Dower School of Real Estate;
Course Categories: Real Estate Law and Finance; Clock Hours: 3

Commissioner Kuriyama moved to defer decision making on this application and request that the Mr. Bly elevate the overall course content above professional entry level. Commissioner Harvey seconded the motion. The motion was voted on and unanimously carried.

Next Meeting: Wednesday, October 14, 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 12:10 p.m.

Reviewed and approved by:

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

September 30, 2009
Date

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