

**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: May 7, 2008

Time: Upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:30 a.m.

Place: REALTORS® Association of Maui  
441 Ala Makani Place  
Kahului, HI 96732

Present: Carol Mae Ball, Chair / Broker / Maui Commissioner  
Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner  
Louis Abrams, Broker / Kauai Commissioner  
William S. Chee, Broker / Honolulu Commissioner  
Trudy Nishihara, Broker / Honolulu Commissioner  
Mark Suiso, Public / Honolulu Commissioner  
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Neil Fujitani, Acting Supervising Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Tammy Norton, Recording Secretary

Others: Jo Lynn Samuelson  
Don Samuelson  
Marsha Shimizu, Hawaii Association of Realtors  
Cielo Molina, Regulated Industries Complaints Office  
Kerrin Medrano

Absent: Frances T. Gendrano, Broker / Honolulu Commissioner  
Stanley Kuriyama, Broker / Honolulu Commissioner

Call to Order: Chair Ball called the meeting to order at 9:43 a.m., at which time quorum was established.

Chair's Report: Chair Ball 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.

Commissioners Gendrano and Kuriyama were excused from today's meeting. Prior notice of their non-attendance was received.

Real Estate Specialist's Report: Minutes of April 9, 2008  
Upon a motion by Commissioner Aiona, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the April 9, 2008, Education Review Committee meeting as distributed.

Continuing Education: Applications

### **2007 – 2008 Continuing Education Providers and Courses Ratification List**

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to ratify the following registrations/certifications:

| <b>Course</b>   | <b>Effective Date</b> |
|---|-----------------------|
| “ASHI Standards”<br>(Author/Owner Thomas Douma)   | April 3, 2008         |
| “Condominium Principles and Disclosure Law”<br>(Author/Owner Thomas Douma)  | April 3, 2008         |
| “Disclosure Law in Hawaii”<br>(Author/Owner Thomas Douma)   | April 3, 2008         |
| “Code of Ethics Case Studies”<br>(Author/Owner: ARELLO Certified Course/Continuing Ed Express LLC)  | April 14, 2008        |
| “Negotiate with Confidence and Power”<br>(Author/Owner: ARELLO Certified Course/Continuing Ed Express LLC)  | April 14, 2008        |
| “Vacation Property Investment Guide”<br>(Author/Owner: ARELLO Certified Course/Continuing Ed Express LLC)   | April 14, 2008        |
| “Creating Wealth Through Residential Real Estate<br>Investments (CRS 204)”<br>(Author/Owner: Nationally Certified Course/Hawaii Association of REALTORS®) | April 28, 2008        |

**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**

It was noted that although the course seems well put together the information is covered in the prelicense course and does not appear to be presented at a level beyond professional entry.

Commissioner Nishihara noted that the explanations on FIRPTA and HARPTA were incorrect as the explanations for FIRPTA withholdings should have been the explanation for HARPTA withholdings and vice versa. She further commented that at the Congressional level the Real Estate Settlement Procedures Act is currently being reviewed for possible amendments and the changes may directly impact the accuracy of the information in the course materials. It was also noted that the inclusion of information on mortgage-related items in the settlement statement is beyond the professional expertise of real estate licensees. The information on mortgage points, finance charges, etc. change constantly and is outside the expertise of the real estate licensee.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Aiona, it was voted on and unanimously carried to deny “Understanding Settlement and the Settlement Statement” as a three credit hour continuing education elective course under the course categories Real Estate Law and Finance based on the following:

"Hawaii Administrative Rules, §16-99-100 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";. . .

Hawaii Administrative Rules §16-99-101 Courses not acceptable for continuing education course certification. The commission may not certify a continuing education course, or any portion thereof, which: (7) Does not meet the definition of continuing education as determined by the commission."

**Course – “Trust Funds;” Author/Owner: Rollie J. Litteral; Provider: Kona Board of REALTORS®; Course Category: Broker Management; Clock Hours: 3**

Commissioner Chee noted that in reviewing the course curricula, the topic of "trust funds" was too narrow a topic to be offered as a three-hour continuing education elective course, and the content did not appear to be adequate for a three-hour course.

The committee members discussed the issue and noted that the area of property management was not specifically addressed in the course materials. Property management is a large part of day-to-day real estate activity by many real estate licensees. The issue of trust funds in the form of security deposits and rental collection is an important part of property management, and the area needs to be focused on more.

It was also noted that the course application should include a bibliography and a short biography of the author's education, experience, and expertise in the course topic.

Upon a motion by Commissioner Chee, seconded by Commissioner Nishihara, it was voted on and carried to deny "Trust Funds" as a three credit hour continuing education elective course under the course category Broker Management. Commissioner Abrams opposed.

#### Continuing Education Core Course

Specialist Fujimura reported that the final draft of Part B of the core course has been reviewed and will be provided at the next ERC meeting. There will be Train-the-Trainer sessions for all instructors interested in teaching the Commission's 2007-2008 Core Course Part B on Monday, May 19 at the Honolulu Board of Realtors Holomua Room and on Wednesday, May 21 at the Kauai Board of Realtors Conference Room. Instructors interested in attending need to contact the Real Estate Branch staff by May 12 to indicate which session they will be attending. Staff requested that Commissioners attend their island session.

It was noted that as of May 5, 2008, only 2,853 out of 19,000 licensees completed Part A of the core course. It was further noted that only 1 commissioner completed Part A of the core course.

Commissioner Nishihara noted that licensees are slow to adapt to changes in familiar processes, and will probably take both parts together when Part B becomes available.

Commissioner Aiona suggested including step-by-step continuing education requirement information along with the license renewal reminder cards.

Commissioner Loudermilk noted that the continuing education information has already been included in past Real Estate Bulletins.

Marsha Shimizu, HAR, reported that there may be Realtor confusion between the State required CE core course requirement and the NAR Code of Ethics course requirement, which is due to be completed this year.

Commissioner Loudermilk stated that Part A of the core course should be required to be completed in the first biennium. If not, most licensees will procrastinate.

Commissioner Nishihara responded that initial discussion with the EETF committee was to only offer Part A in the first biennium and if not completed during the first biennium, Part A would only be offered online during the 2<sup>nd</sup> biennium.

Prelicense Education: Evaluation and Education Program

Copies of evaluations of the independent study course from Abe Lee Seminars (7) were distributed to the Commissioners for their information.

Administration of  
Examinations:

Pearson VUE

**Licensing Examination Statistics – March 2008**

Examination statistics for March 2008 were distributed to the Commissioners for their information.

**School Pass/Fail Rates – March 2008**

School pass/fail rate statistics for March 2008 were distributed to the Commissioners for their information. Commissioner Loudermilk suggested that the school pass/fail rate statistics be submitted for a larger time span to reflect more accurate statistics.

**School Summary Reports – March 2008**

Copies of the March 2008 performance summary reports, by school, were distributed to the Commissioners for their information. The report is derived from statistics for first time test takers.

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.

**REALTORS® Association of Maui** – No discussion presented.

Program of Work: Instructor's Development Workshop

**Request from Rick Seiler**

Senior Specialist Fujimura reported that instructors are required to complete an Instructors Development Workshop (IDW) every biennium and Rick Seiler has submitted a request for approval of IDWs being offered at the upcoming Real Estate Educators Association (REEA) Annual Conference in June 2008, for IDW credit for the 2007-2008 biennium.

REEA is offering two IDWs. There is a course on June 21, 2008, entitled "IDW Course I – Building Instructional Skills: Teaching Adults Using GAPE" and on June 22, 2008, entitled "IDW Course II – Customizing Course Presentations: Evaluating and Adapting Teaching Materials to personalize Course Delivery".

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and carried to approve the Instructor Development Workshops being offered on June 21 and 22, 2008, at the REEA 2008 Annual conference as Commission approved IDWs for the 2007 – 2008 biennium. Chair Ball abstained from voting.

Next Meeting: Tuesday, June 10, 2008  
Upon adjournment of the Laws and Rules Review Committee Meeting, that 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 10:08 a.m.

Reviewed and approved by:

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

May 12, 2008

\_\_\_\_\_  
Date

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