

LAWS AND RULES 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 Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, October 12, 2011

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Frances Gendrano, Chair, Broker/Honolulu Commissioner
Walt Harvey, Vice Chair, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Carol Ball, Broker/Maui Commissioner
Scott Sherley, Broker/Hawaii Commissioner
Nikki Senter, Public/Honolulu Commissioner
Aileen Wada, Broker/Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Myoung Oh, Hawaii Association of REALTORS®
Trudy Nishihara, Hawaii Association of REALTORS®
Aron Espinueva, Hawaii Association of REALTORS®
Jadean DeCastro, Touchstone Properties
Keali'i Lopez, DCCA Director
Abe Lee, Abe Lee Seminars
Bryan Andaya, Eddie Flores School of Real Estate

Absent: Rowena Cobb, Broker / Kauai Commissioner

Call to Order: The Chair called the meeting to order at 9:00 a.m., at which time quorum was established.

Chair's Report: The Chair announced that the Commission 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, and/or to consult with the

Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

Commissioner Cobb was excused from today's meeting. Prior notice of her non-attendance was received.

SEO's
Report:

Minutes of Previous Meetings

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the September 7, 2011, Laws and Rules Review Committee meeting subject to typographical non-substantive corrections.

Program of Work:

Licensing Renewal

A request was received from the Hawaii Association of REALTORS® regarding licensing renewals and continuing education requirements for first-year licensees.

Representing the Hawaii Association of REALTORS® were Myoung Oh and Trudy Nishihara.

Mr. Oh reported that first-year licensees may not have access to practical hands-on experience and real-life applications in a real estate transaction. HAR is proposing rule changes to incorporate a separate set of CE for first-year licensees which will include an advanced set of training and hands-on practical experience. HAR is requesting the Commission's support and collaboration to move forward with rule making and develop the program.

Commissioner Ball requested clarification that the proposal is no longer a post licensing education request, but to take the place of the continuing education requirement.

Mr. Oh responded in the affirmative for first-year licensees as a replacement or equivalent to their CE requirement.

Ms. Nishihara noted that it would consist of practical education and training for new first-time salespersons and brokers. Larger franchises have their own in-depth training, and those companies would be encouraged to submit its training program and curriculum to the Commission for approval to count towards the first-year licensee requirements.

Commissioner Sherley noted that the Commission and staff would also need to look into the additional administrative and budgetary issues that come with implementing a separate CE requirement.

It was noted that at the last meeting commissioners commented that there should be a specified number and type of courses to be completed within a specified time and requiring an exam. The current proposal does not require an exam.

Ms. Nishihara responded that they are mirroring the courses for first-time licensees like the CE requirement and the current CE requirement does not require a test.

Commissioner Ball noted that when taking online courses students must pass a quiz at the end of each section to move forward with the course. They may retake the quiz any number of times until they pass and are allowed to move forward with the course. Something similar could be structured into the proposed course structure.

Commissioner Kuriyama questioned whether there was any factual basis for greater consumer harm generated by first-year licensees which would warrant the proposed continuing education for first-year licensees.

Ms. Nishihara responded that 18 states adopted post licensing education. She noted that licensees need to be skilled and possess practical knowledge.

Commissioner Ball noted that the Commission's Annual Report provides a breakdown of infractions by real estate licensees.

Commissioner Wada requested that HAR provide stats that show that first-year licensees are cited more than others and provide information as to why they are targeting first-year licensees only.

Ms. Nishihara responded that the data requested does not exist.

Commissioner Harvey questioned how they would address the problem of first-year licensees. An individual licensed 1/1, not required to complete the course hours until 12/31 could possibly provide consumer harm for 11 months.

Mr. Oh responded that if the licensee does not fulfill the requirement, the license would be placed inactive. Many brokerages currently provide hands on training but noted that there are still a lot of inexperienced licensees out there.

Senior Real Estate Specialist Fujimura commented that the additional educational hours could be practical training added on to the prelicense education, thereby the individual would receive the practical aspect before getting a license. The Commission has the ability to increase the prelicense curriculum.

Ms. Nishihara responded that post licensing education is learning the skills of your job, whereas prelicense education is academic knowledge.

Upon a motion by Commissioner Ball, seconded by Commissioner Harvey, it was voted on and unanimously carried to move forward with exploring CE for first-year salesperson and broker licensees and to create a subcommittee to work with the Hawaii Association of REALTORS® on an educational structure.

Division and Department Programs - RICO Real Estate Advisory Committee

Commissioner Ball noted that the proposed members of the Real Estate Advisory Committee will assist RICO in making decisions on the disposition of cases. The Committee should review the members' qualifications prior to making a decision.

Upon a motion by Commissioner Ball, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to request qualifications of the proposed advisory committee members.

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ARELLO, No report presented.
Other
Organizations
And
Jurisdictions:

Special None.
Issues:

Budget and No report presented.
Finance Report:

Next Wednesday, November 9, 2011
Meeting: 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, the Chair adjourned the meeting at 9:45 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

October 18, 2011

Date

Approved as is.
 Approved with amendments. See minutes of _____ meeting.