

School Files

Hawaii Real Estate Commission

January 2011

www.hawaii.gov/hirec

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UPDATED EXAM CONTENT OUTLINE

At the annual test development meeting held October 5-6, 2010, the test content outline for the salesperson exam was tweaked. The revisions were minor and involved increasing the number of questions or decreasing the number of exam questions in certain sections by one or two questions. The one exception is the section labeled as "Professional Practices and Conduct" where the number of questions were increased by four (4) for the salesperson's exam. The revised content outline for salespersons appears below. There were no changes for the broker exam.

Ascertaining and Disclosing Material Facts (Salesperson 8, Broker 7)

Bureau of Conveyances/Land Court

- a. Documents and indexes
- b. Conveyance tax
- 2. Tax Office**
 - a. Tax maps
 - b. Real property taxes and assessments
 - c. Other state taxes (e.g., HARPTA, GET)
- 3. Inspections**
- 4. Statutory disclosures**
 - a. Seller Disclosure Law
 - b. Leasehold disclosures
 - c. Planned Community Associations
 - d. Distressed Property and Short Sales
- 5. Environmental conditions**
- 6. Hawaii land history and property rights**

* increased questions for the salesperson exam by one

Types of Ownership (Salesperson 6, Broker 5)

1. Condominiums
2. Cooperatives
3. Time sharing plans
4. Land trust
5. Planned Unit Development

*increased questions for the salesperson exam by one

Property Management (Salesperson 3, Broker 3) NO CHANGE

1. Residential Landlord-Tenant Code

2. Commercial real estate management (*Broker only*)

Land Utilization (Salesperson 2, Broker 2)

1. Planning, land use, and zoning (county ordinance)
 - a. County building and planning
2. Restrictive covenants
3. State land use classification
4. Special Management Areas

*reduced questions for salesperson exam by two

Title and Conveyances (Salesperson 4, Broker 4)

1. Estates and interests
2. Tenancy
3. Liens
4. Leaseholds
5. Recording systems
6. Boundary issues
7. Foreclosure

NO CHANGE

Contracts and Addenda (Salesperson 6, Broker 8)

1. Hawaii sales contracts
2. Hawaii listing contracts
3. Other Hawaii standard forms

*reduced questions for the salesperson exam by two

Financing (Salesperson 4, Broker 4)

1. Seller Financing (e.g., Agreement of Sale, PMM)
2. Hawaii-Specific Institutional Financing
3. Usury laws

NO CHANGE

Escrow Process and Closing Statements (Salesperson 3, Broker 5)

1. Escrow responsibilities
2. Closing Responsibilities
3. Closing Statements

*reduced questions for salesperson by two
*re-named "Stages of Closing" to "Escrow Responsibilities"

Professional Practices and Conduct (Salesperson 14, Broker 12)

1. Office management/supervision
 - a. Independent contractor vs. employee
 - b. policies and procedures
2. Trust accounts and handling of funds
3. Advertising
4. Licensing laws and rules
 - a. Real estate brokers and salespersons
 - b. Professional and Vocational Licensing Act
5. Grounds for disciplinary action
 - a. Illegal conduct
 - i) discrimination in real property transactions
 - b. Unethical conduct
 - i) Standards of Practice
 - ii) Standard of Care
6. Agency Relationships and Disclosure of Agency

*increased questions for the salesperson exam by four
*re-named subtopic of "Handling of Funds" to "Policies and Procedures"
*deleted "Broker Office"
*re-named "Trust Accts" to "Trust Accts and Handling of Funds"
*deleted "Risk Management"



20 HOURS OF CE NOW REQUIRED

The implementation of the increase of required continuing education (CE) for Hawaii real estate licensees is already happening, effective January 1, 2011. For the 2011-2012 licensing biennium, all real estate licensees renewing their license on active status for the 2013-2014 biennium must complete the required 20 CE hours which include two-2.5 hour parts of the Commission's mandatory core course, and 15 hours of elective CE.

For those licensees reactivating their license, the requirement for 2011-2012 will still be completion of the *previous* biennium's 10 hours of CE. Not until the 2013-2014 biennium will these reactivations require completion of 20 hours of CE.

CE courses may be submitted for a minimum of three hours (required by Hawaii Administrative Rules section 16-99-87, definition of "Course and course offering"), up to 15 hours of CE credit. The course application and offering fee for elective CE courses will be \$50 for each additional clock hour of CE, so a 4-hour CE elective course application/offering fee will be \$200.00.

The CE elective course application is form-fillable and is available on the Commission's website. The course author will certify that all course content as described in a topical outline with time frames included meets the definition of CE as stated in Hawaii Administrative Rules (HAR) section 16-99-100. A form where topics and page numbers may be identified is now attached to the application form. For certain CE courses, portions of the content may not meet the requirements as spelled out in HAR section 16-99-100. For these portions of the course, the time devoted to instruction should not be included in the clock hours that are being submitted for CE approval.

Generally, a CE author will have written a CE course wherein all of the course content meets the requirements of HAR section 16-99-100.

Nationally or ARELLO-certified courses up to 6 hours will be reviewed by Real Estate Branch Staff. Any new course submitted for more than 6 hours will be reviewed by the Commission's Education Review Committee. The application and offering fee for these courses remains at \$25 for each 3-hours of instructional time. The course application form for nationally or ARELLO-certified courses also includes the form to note which topics in the course meet the requirements of HAR section 16-99-100.



**ANY QUESTIONS, CONCERNS, COMMENTS? PLEASE
EMAIL THEM TO: roster@dca.hawaii.gov**



CERTIFYING AND/OR OFFERING A CE COURSE

	Written Authorization to Offer Course Form	Written permission to offer course from author/owner of course	Continuing Education Elective Course Application	Nationally or ARELLO Certified Course Application	Application Fee	
					\$50/credit hr/3 hr minimum	\$25 each 3 hr increment
New Elective Course			X Submitted by author/owner		X	
Elective Course previously certified by author/owner	X	X				
Nationally or ARELLO Certified Course (taught by a nationally certified instructor certified by the NAR or its affiliates)	X	X		X		X
Nationally or ARELLO Certified Course (taught by a nationally certified instructor certified by BOMA, CAI or national organization approved by the Commission)	X	X		X		X
Nationally- or ARELLO- Certified Course (NOT taught by a nationally or ARELLO certified instructor, live or online)	X	X	X		X	

Follow this chart when submitting continuing education courses for certification or offering.

For re-certification purposes, you must again provide the Written Authorization to Offer Course form signed by the CE Administrator, and the written permission to offer the course from the author/owner of the course.

Courses may be submitted for a minimum of 3 credit hours up to 15 credit hours. **DO NOT INCLUDE BREAKS OR NON-INSTRUCTIONAL TIME** in the clock hours submitted for approval.

If the Education Review Committee (ERC) determines that certain topics included in the course content do not meet the definition of CE as stated in Hawaii Administrative Rules (HAR) section 16-99-100 or are topics included in HAR section 16-99-101, "Courses not acceptable for continuing education course certification", the ERC may reduce the number of credit hours requested, based on the time devoted to topics that do not qualify for CE credit.

The course certification and offering fees are \$150 for a 3-hour course, and an additional \$50 for each hour applied for. For example, the fee for a 4-hour course will be \$200. Course fees are non-refundable.

For nationally- or ARELLO-certified CE courses, the course certification fees remain at \$25 for a 3-hour course, and \$25 for each additional 3-hour increment, whether it is one (1) hour or three (3) hours over the minimum 3-hour course credit request.



RULE-MAKING TO GO FORWARD IN 2011

The last time Hawaii Administrative Rules (HAR), Chapter 99, “Real Estate Brokers and Salespersons”, was amended was in 2001 via then Lt. Governor Mazie Hirono’s “Slice Waste and Tape” (SWAT) initiative. Ten years later, the Real Estate Commission is entering into rule-making, a generally long and drawn-out process.

What’s up for amendment, deletion, addition? The second rough draft of proposed rule changes was presented to the Commission’s Laws and Rules Review Committee (LRRC) at its monthly meeting on Wednesday, January 12, 2011. A complete copy of the second rough draft of proposed rule changes will be available on the Commission’s website at www.hawaii.gov/hirec. (Note: underscored material is a proposed addition to the rules. Material that is crossed through is proposed for deletion.)

Here is a sample of some proposed rule changes that may be of interest to real estate educators.

HAR, Section 16-99-37 Education equivalency. (a) the commission may grant an equivalency to the respective education requirements for applicants for the salesperson [~~and broker~~] license examination for:

- (1) Those who hold a current license that was active within one year immediately prior to the date of application as a salesperson or broker in another state with similar or superior education requirements as determined by the commission;
- (2) Graduates of an accredited United States law school;
- (3) Bachelor of arts or bachelor of science degree graduates of accredited United States colleges and universities who have majored in real estate or business;
- (b) The commission may grant an equivalency to the respective education requirements for applicants for the broker license examination for:
 - (1) Those who hold a current license that was active within one year immediately prior to the date of application as a broker in another state with similar or superior education requirements as determined by the commission;
 - (2) Graduates of an accredited United States law school.

HAR, Section 16-99-58 Faculty. . . .

- (c) Each instructor shall initially take and pass an examination with a minimum passing score of 85% or as prescribed by the commission and shall:

. . .

~~[(g) — Every instructor, every three years, as a condition of recertification for each course the instructor chooses to teach, shall take and pass an instructor’s exam, demonstrating the instructor’s current command of the prelicense course.]~~

HAR, Section 16-99-87 Definitions. As used in this subchapter: . . .

“Course and course offering” means a continuing education module of instruction certified by the commission, consisting of a minimum of three clock hours and a maximum as determined by the commission.

HAR, Section 16-99-95 Duplicate continuing education hours. Except as provided by the commission or by this subchapter, a licensee shall not take a continuing education course [~~that is substantially similar to a course~~] for which the licensee has already received a certificate within two consecutive biennia. [~~A continuing education provider shall not issue to a licensee a certificate for substantially the same course completed by the licensee. “Substantially similar” as used in this section means that at minimum, seventy five per cent of the course content of a course is repeated in another course offering~~].

HAR, Section 16-99-96 An instructor who is a licensee. In satisfying the continuing education hours of a license period, an instructor who is a real estate licensee, may use once in any two consecutive biennia, the clock hours for each course taught except the core course which may be recognized for clock hours each biennium. The one time use applies even when the instructor has taught the course more than once.

HAR, Section 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:

- (1) Does not directly relate to real estate law or real estate practice;
- (2) Is related to passing a prelicense real estate salesperson or broker exam;
- (3) Teaches general office [and business] skills, such as [typing] word processing, basic internet skills, computer software or other technology, [speed reading, memory improvement, report writing,] personal motivation, [salesmanship, sales psychology,] and time management;
- (4) Includes sales or promotions of a product or service or other meetings held in conjunction with general real estate brokerage activity;
- (5) [~~Is devoted to meals or refreshments;~~]
- (6) Is less than three clock hours in duration; and
- (7) Does not meet the definition of continuing education as determined by the commission.

HAR, Section 16-99-104 Criteria for certification of a continuing education instructor.

. . .

(d) The commission may require that each instructor complete an instructor’s workshop as approved by the commission prior to teaching in each biennium [or complete viewing a commission approved audio videotape of such workshop within the biennium].

HAR, Section 16-99-120 Instructor Evaluation. (a) Course providers shall implement a standardized student evaluation process as determined by the commission.

(b) Course providers shall ensure that student evaluations of instructors do not fall below the minimum rating standards as determined by the commission.

HAR, Section 16-99-121 Faculty.

(b) The administrator shall be responsible for:

.

(4) Administering and maintaining the student evaluations and minimum rating standards of instructors.

RE-REGISTRATION/RE-CERTIFICATION FOR CE PROVIDERS, PRELICENSE SCHOOLS, PRELICENSE INSTRUCTORS AND CE COURSES



The re-registration and re-certification deadline for all Prelicense Schools, Prelicense Instructors, CE Providers and CE courses is always November 30 of the even-numbered year. Like real estate licensees having to renew by November 30 of the even-numbered year to ensure they may continue to engage in real estate activity come January 1 of the odd-numbered year, the same deadline applies and the same caveat applies – if you are not able to re-register or re-certify by November 30, there is no guarantee that your re-registration or re-certification(s) will be processed in time for January 1.

All registrations and certifications for CE Providers, Prelicense Schools, Prelicense Instructors and CE courses expired on December 31, 2010. All re-registration and re-certification applications received after January 3, 2011, will incur a \$10 restoration fee, in addition to the usual fee to re-register or re-certify. There are still a lot of CE courses that have not been re-certified for 2011-2012.

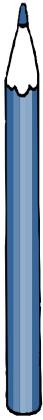
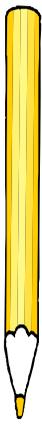
CONTINUING EDUCATION PROVIDERS

360Training.com
Abe Lee Seminars
Akahi Real Estate Network LLC
All Islands Real Estate School
Career Webschool Cengage Learning, Inc.
Carol Ball School of Real Estate
Continuing Ed Express LLC
Dower School of Real Estate
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Levin & Hu, LLP
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Pacific Real Estate Institute
ProSchools, Inc.
Ralph Foulger's School of Real Estate
Realtors Association of Maui Inc.
REMI School of Real Estate
Richard Daggett School of Real Estate
Russ Goode Seminars
Seiler School of Real Estate
Shari S. Motooka-Higa
The CE Shop, Inc.
The Seminar Group
University of Hawaii at Manoa Outreach College
Vitousek Real Estate Schools, Inc.

PRELICENSE SCHOOLS

Abe Lee Seminars
Akahi Real Estate Network LLC
All Islands Real Estate School
Carol Ball School of Real Estate
Dower School of Real Estate
Fahrni School of Real Estate
Hawaii Institute of Real Estate (HIRE)
ProSchools, Inc.
Ralph Fougner's School of Real Estate
REMI School of Real Estate
Seiler School of Real Estate
University of Hawaii at Manoa
Outreach College
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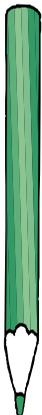
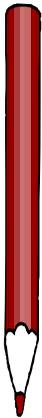
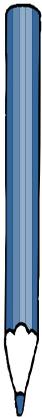
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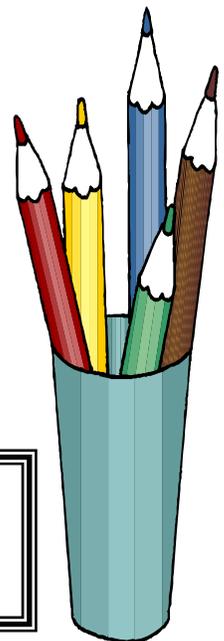
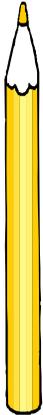
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