

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 9, 2012

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

Place: Lihue State Office Building
3rd Floor Conference Room
3060 Eiwa Street
Lihue, Kauai

Present: Carol Mae Ball, Broker / Maui Commissioner
Scott A. Sherley, Chair / Broker / Hawaii Island Commissioner
Rowena B. Cobb, Vice Chair / Broker / Kauai Commissioner
Frances T. Gendrano, Broker / Honolulu Commissioner
Aileen Wada, Broker/Honolulu Commissioner
Walter Harvey, Broker / Honolulu Commissioner
Nikki T. Senter, Public / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Robin Sagadraca, Old Republic Title
James M. K. Stone Jr., Coldwell Banker School of Real Estate
Marsha Shimizu, Hawaii Association of REALTORS®
Donna Apisa, Oceanfront Realty
Karen Ono, Kauai Board of REALTORS®
Dennis M. Esaki, Governor's Office
Dimples Kano, Na Pali Properties

Absent: Stanley Kuriyama, Broker/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:50 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, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS.

Commissioner Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Real Estate
Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Ball, seconded by Commissioner Cobb, it was voted on and unanimously carried to accept the minutes of the April 11, 2012 Education Review Committee meeting.

Continuing Education: Administrative Issues – New Salespersons Licensed in 2012

Stats to be provided at the next Education Review Committee meeting.

Applications

2011-2012 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Gendrano, it was voted on and unanimously carried to ratify the following:

<u>Registration/Certification</u>	<u>Effective Date</u>
Course(s)	
"Mortgages, FNMA, FICO, etc" (Abe Lee/Abe Lee Seminars)	04/02/12
"Mediation, Arbitration, Litigation" (Abe Lee/Abe Lee Seminars)	04/02/12
"Surveys, Termite and Home Inspections: Rats, Roach" (Abe Lee/Abe Lee Seminars)	04/02/12
"Escrow, Title and Appraisals" (Abe Lee/Abe Lee Seminars)	04/02/12
"Risk Management V4.0" (ARELLO/Dearborn Publishing Inc. dba REcampus.com)	04/19/12
"Understanding Credit & Improving Credit Scores V2.0" (ARELLO/Dearborn Publishing Inc. dba REcampus.com)	04/19/12
School(s)	
Coldwell Banker Pacific Properties Real Estate School	04/09/12
Instructor(s)	
Trudy I. Nishihara (Salesperson Curriculum)	04/09/12

Course – "Purchasing Coastal Real Estate in Hawaii"; Author/Owner: U.H. Sea Grant College Program; Provider: Ralph Foulger's School of Real Estate; Course Categories: Contracts, Real Estate Law, Property Management, Property Ownership and Development, Risk Management, Other - Disclosures; Clock Hours: 3 (Deferred ERC 4/11/12)

Specialist Fujimura reported that she did speak to Mr. Foulger regarding the committee's comments made at the last meeting and noted that Mr. Foulger has provided the specific course topics, instructional learning objectives, and time frames for the course.

Commissioner Ball commented that the course presented was not sufficiently revised to meet the concerns provided to Mr. Foulger at the April 11, 2012 ERC meeting.

The committee also noted that the information from the U.H. Sea Grant College Program should be a resource for the continuing education course, and not the course itself.

Upon a motion by Commissioner Ball, seconded by Commissioner Cobb, it was voted on and unanimously carried to take the matter under advisement.

Course – "Managing Legal Risk in Hawaii Real Estate: What Really Matters"; Author/Owner: James M.K. Stone Jr.; Provider: Coldwell Banker Pacific Properties Real Estate School; Course Categories: Real Estate Law, Risk Management; Clock Hours: 3

Mr. Stone was present to answer questions from the Committee.

Mr. Stone stated that this particular course is designed to provide an effective four step methodology to manage legal risks in real estate transactions that emphasize the importance of spotting red flags, the critical nature of deadlines, material facts and failure to disclose, and consequences of non-disclosure.

Commissioners commented that the course material is very succinct and to the point and that the legal concept is easy to understand.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to take the matter under advisement.

Course – "BPO Preparation and Presentation"; Author/Owner: REMI School of Real Estate; Provider: REMI School of Real Estate; Course Categories: Contracts, Investment, Finance, Risk Management, Broker Management; Clock Hours: 3

It was reported that the course will be offered both live and online.

Upon a motion by Commissioner Harvey, seconded by Commissioner Ball, it was voted on and unanimously carried to take the matter under advisement.

Course – "Top 10 Questions Buyers Ask about Title Insurance;" Author/Owner: Patsy K. Saiki; Provider: Hawaii Island Board of REALTORS®; Course Categories: Property Ownership and Development, Risk Management, Other – Title Insurance; Clock Hours: 3

Specialist Fujimura reported that the company logos have been removed from the course materials.

Commissioner Loudermilk noted that the material includes references to a program that is specific to First American Title Corporation. Any information specific to the company should be eliminated.

Upon a motion by Commissioner Ball, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter under advisement.

Course – "Real Estate Agent's Guide to Title Insurance;" Author/Owner: Robin R. Sagadraca; Provider: Abe Lee Seminars; Course Categories: Other – Title Insurance ; Clock Hours: 3

Mr. Sagadraca was present to answer questions from the Committee.

Mr. Sagadraca stated that real estate licensees are mildly acquainted with title insurance. The course gives the licensee a working knowledge of title insurance.

Commissioner Ball commented that she appreciates the level of detail provided in the course material.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to take the matter under advisement.

Course – "Strategies for the Purchase Contract"; Author/Owner: Hawaii Association of REALTORS®; Provider: Hawaii Association of REALTORS®; Course Category: Contracts; Clock Hours: 6

Ms. Marsha Shimizu was present to answer questions from the Committee.

Ms. Shimizu stated that the course will go over all sections of the revised purchase contract, review in detail the sections which could invoke termination, and include case studies to help students identify red flags.

Commissioner Ball stated that licensees should not have to pay for instruction on the use of a form which the industry organization created. The industry organization should have a plan to educate its membership on the new form it created as was done in Maui.

Ms. Shimizu responded that the Maui training was an informational session which compared the differences between the old and the new form. HAR is also offering webinars for its membership which is the same information obtained at the Maui informational sessions. The course submitted for review by the committee is not the same as the informational session. The course reviews each section of the new form so that the licensee will understand the purpose of each section.

Senior Real Estate Specialist Fujimura questioned whether non-members are allowed to take the course.

Ms. Shimizu responded in the affirmative and noted that there is a different fee schedule for members and non-members.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Gendrano, it was voted on and unanimously carried to take the matter under advisement.

Request for IDW Approval – Hawaii Island Board of REALTORS® - Curtis Hall

The requester has withdrawn the request.

Prelicensure Education: Evaluation and Education Program

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

- Seiler School of Real Estate (5)

Administration of
Examinations:

PSI

Licensing Examination Statistics – April 2012

Examination statistics for April 2012 were distributed to the Commissioners for their information.

School Pass/Fail Rates – April 2012

School pass/fail rate statistics for April 2012 were distributed to the Commissioners for their information.

School Summary by Test Category – April 2012

Copies of the April 2012 test category summary reports, by school, were distributed to the Commissioners for their information.

Exam Monitoring – Honolulu Test Site

Staff's evaluation of its test site monitoring of the Honolulu test site was distributed for information.

Educator's Forum:

Hawaii Association of REALTORS® – No discussion presented.

Public and Private Institutions of Higher Education – No discussion presented.

Program of Work:

Annual Report, Quarterly Bulletin, and School Files – May 2012 BULLETIN available on the Commission's website and will be distributed shortly.

ARELLO, REEA and
Other Organizations:

No report.

Budget and Finance
Report:

No report presented.

Executive Session:

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

Continuing Education: Applications

Course – "Purchasing Coastal Real Estate in Hawaii;" Author/Owner: U.H. Sea Grant College Program; Provider: Ralph Foulger's School of Real Estate; Course Categories: Contracts, Real Estate Law, Property Management, Property Ownership and Development, Risk Management, Other - Disclosures; Clock Hours: 3 (Deferred ERC 4/11/12)

Commissioner Loudermilk moved to deny "Purchasing Coastal Real Estate in Hawaii" as a continuing education course based on Hawaii Administrative Rules section 16-99-100(a)(1)(C) and section 16-99-101(7). Commissioner Cobb seconded the motion. The motion was voted on and unanimously carried.

Course – "Managing Legal Risk in Hawaii Real Estate: What Really Matters;" Author/Owner: James M.K. Stone Jr.; Provider: Coldwell Banker Pacific Properties Real Estate School; Course Categories: Real Estate Law, Risk Management; Clock Hours: 3

Upon a motion by Commissioner Harvey, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve the course "Managing Legal Risk in Hawaii Real Estate: What Really Matters" as a three hour continuing education elective course, under the course categories of Real Estate Law and Risk Management.

Course – "BPO Preparation and Presentation;" Author/Owner: REMI School of Real Estate; Provider: REMI School of Real Estate; Course Categories: Contracts, Investment, Finance, Risk Management, Broker Management; Clock Hours: 3

Commissioner Harvey moved to deny "BPO Preparation and Presentation" as a continuing education course based on Hawaii Administrative Rules section 16-99-100(a)(1)(C) and section 16-99-101(7). Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Course – "Top 10 Questions Buyers Ask about Title Insurance;" Author/Owner: Patsy K. Saiki; Provider: Hawaii Island Board of REALTORS®; Course Categories: Property Ownership and Development, Risk Management, Other – Title Insurance; Clock Hours: 3

Commissioner Loudermilk moved to approve the course as a three credit hour continuing education elective course, under the course category of Property Ownership and Development, Risk Management, Other – Title Insurance, subject to removal of all references to any program of First American Title Corporation in the course material. Commissioner Gendrano seconded the motion. The motion was voted on and unanimously carried.

Course – "Real Estate Agent's Guide to Title Insurance;" Author/Owner: Robin R. Sagadraca; Provider: Abe Lee Seminars; Course Categories: Other – Title Insurance ; Clock Hours: 3

Upon a motion by Commissioner Harvey, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve the course "Real Estate Agent's Guide to Title Insurance" as a three hour continuing education elective course, under the course category of Other – Title Insurance.

Course – "Strategies for the Purchase Contract"; Author/Owner: Hawaii Association of REALTORS®; Provider: Hawaii Association of REALTORS®; Course Category: Contracts; Clock Hours: 6

Commissioner Cobb recused herself from voting as she was a part of HAR's committee that wrote the course.

Commissioner Wada moved to approve "Strategies for the Purchase Contract" as a six credit hour continuing education course, under the course category Contracts. Chair Sherley seconded the motion. Commissioners Loudermilk, Senter and Gendrano voted aye; Commissioner Ball voted nay; Commissioner Harvey abstained from voting. The motion carried.

Next Meeting: Wednesday, June 13, 2012
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.
King Kalakaua Building
Queen Liliuokalani Conference Room
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Sherley adjourned the meeting at 10:43 a.m.

Reviewed and approved by:

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

May 17, 2012

Date

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