

**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: March 12, 2008

Time: 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  
Louis Abrams, Broker / Kauai Commissioner  
William S. Chee, Broker / Honolulu Commissioner  
Frances T. Gendrano, Broker / Honolulu Commissioner  
Stanley Kuriyama, Broker / Honolulu Commissioner  
Trudy Nishihara, Broker / Honolulu Commissioner  
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Neil Fujitani, Acting Supervising Executive Officer  
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  
Karyn Takahashi, Recording Secretary

Myoung Oh, Hawaii Association of REALTORS®  
Ginger Matsukawa  
Steven Lee  
Ralph Foulger, Ralph Foulger's School of Real Estate  
Marsha Shimizu, Hawaii Association of REALTORS®

Absent: Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner  
Mark Suiso, Public / Honolulu Commissioner

Call to Order: Chair Ball called the meeting to order at 9:07 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, 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.

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

Real Estate Minutes of February 13, 2008  
Specialist's Report:

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the February 13, 2008, Education Review Committee meeting as distributed.

Continuing Education: Administrative Issues

**Letter from Ralph Foulger re “Buying Foreclosure Properties” CE Course**

Mr. Ralph Foulger was present. Mr. Foulger stated that it was his intent to provide a course educating licensees on the foreclosure process—he has been approached by dozens of licensees asking for a course on foreclosure.

Mr. Foulger noted that there are consulting fees to be made on foreclosure properties and believes that it is better for the licensee to be educated on the process.

Chair Ball thanked Mr. Foulger and stated that she agreed that foreclosure is an important topic. She stated that this course was denied at the last meeting because it did not meet the definition of continuing education as stated in Hawaii Administrative Rules Section 16-99-101. She stated that the course as presented did not indicate it covered the foreclosure process but rather was more on inspiring investors to purchase these properties. Chair Ball stated that the course needed to focus more on the condition of the property, seller disclosure, etc. and the course as presented did seem to focus on that.

Mr. Foulger stated that he may not have communicated well and stated that his intent was to go through determining capitalization rates and values to the investor—basically the mathematical computations.

Commissioner Nishihara stated that the title is “Buying Foreclosure Properties” and infers to the purchase of foreclosure properties not the foreclosure process. Mr. Foulger stated he could expand the title. Commissioner Nishihara responded that the course emphasized procuring rather than the process.

Chair Ball stated the course would be valuable if it emphasized the conditions of the foreclosure properties and not identifying the desirability to investors.

Commissioner Abrams stated that he agreed that the explanation of the process would be a great course, but capitalization rates and investments is a separate course.

Chair Ball stated that Section 16-99-101 of the Hawaii Administrative Rules lists what are not acceptable as a continuing education course, salesmanship being one of them, and she recommended that Mr. Foulger stay away from the salesmanship aspect.

Mr. Foulger stated that his goal is to provide quality education and will revise and resubmit the course.

Applications

**Course – “All in the Family: The Growing Trend of Multi-Generational Homes;” Author/Owner/Provider: Shari S. Motooka-Higa; Course Categories: Finance, Risk Management, Other – Professional Development and Ethics; Clock Hours: 3**

Commissioner Abrams stated an individual would need to refer to a CPA or tax attorney for the information presented in this course.

Commissioner Nishihara stated that she had reservations about this course as the information presented may have an impact on Medicaid, social security, etc. and an impact of a personal nature seems to be out of the scope of continuing education. She stated that the course seems to be more geared for family counseling.

Chair Ball had concerns that the course disregarded zoning laws.

Upon a motion by Commissioner Chee, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to deny certification “All in the Family: The Growing Trend of Multi-Generational Homes” as a continuing education elective course based on Hawaii Administrative Rules 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: . . . (7) Does not meet the definition of continuing education as determined by the commission.” Furthermore, Hawaii Administrative Rules Section 16-99-87 defines “Continuing education” as “elective courses that involve areas designed to improve a licensee’s competency or professional standards and practice, and which courses are determined by the commission to exceed minimum entry level competency in the subject matter of the course, including consumer protection in real estate transactions.”

**Course – “An Introduction to Fair Housing;” Author/Owner: Office of Housing and Community Development, County of Hawaii; Provider: Hawaii Island Board of REALTORS®; Course Category: Real Estate Law; Clock Hours: 3**

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to recommend approval of “An Introduction to Fair Housing” as a three credit hour continuing education elective course, under the course category Real Estate Law.

**Course – “Selling High Performance Homes;” Author/Owner: Energy & Environmental Building Association (EEBA); Provider: Energy & Environmental Building Association (EEBA); Course Categories: Risk Management, Technology and the Licensee, and Other – Building Science; Clock Hours: 3**

Chair Ball stated that this course application is being resubmitted. The course was denied at the February meeting.

Chair Ball stated that the course is still very sales oriented. Commissioner Loudermilk agreed and noted that there didn’t seem to be any changes to the course.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Nishihara, it was voted on and unanimously carried to deny certification of "Selling High Performance Homes" as a continuing education elective course based on Hawaii Administrative Rules, 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: . . .(3) Teaches office and business skills, such as typing, speed reading, memory improvement, report writing, personal motivation, salesmanship, sales psychology, and time management; . . . (7) Does not meet the definition of continuing education as determined by the commission." Hawaii Administrative Rules Section 16-99-87 "Definitions. . . . 'continuing education' means clock hours of core courses and elective courses that involve areas designed to improve a licensee's competency or professional standards and practice, and which courses are determined by the commission to exceed minimum entry level competency in the subject matter of the course, including consumer protection in real estate transactions."

**Course – "Legal Aspects of Condominium and Homeowners' Associations;" Author/Owner/Provider: Lorman Business Center, Inc.; Course Category: Other - Condominium and Homeowners' Association Law; Clock Hours: 6**

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

**Course – "RESPA Compliance and Loan Fraud;" Author/Owner: Oliver Frasca, Esq.; Provider: Honolulu Board of REALTORS®; Course Categories: Real Estate Law, Risk Management; Clock Hours: 4**

Upon a motion by Commissioner Abrams, seconded by Commissioner Gendrano, it was voted on and unanimously carried to approve "RESPA Compliance and Loan Fraud" as a three credit hour continuing education elective course, under the course categories Real Estate Law and Risk Management.

**Provider – Hawaii Academy of Real Estate, LLC; Nancy A. Kanna, Administrator**

Upon a motion by Commissioner Nishihara, seconded by Commissioner Abrams, it was voted on and unanimously carried to approve the Hawaii Academy of Real Estate, LLC, as a continuing education provider.

**Continuing Education, Prelicensing Education, and Equivalency Statistics – 1<sup>st</sup> and 2<sup>nd</sup> Quarters FY08**

Continuing Education statistics for the first two quarters of fiscal year 2008 were distributed to the Commissioners for their information.

Prelicense Education: Administrative Issues

**Continuing Education, Prelicensing Education, and Equivalency Statistics – 1<sup>st</sup> and 2<sup>nd</sup> Quarters FY08**

Equivalency statistics for the first two quarters of fiscal year 2008 were distributed to the Commissioners for their information.

### Evaluation and Education Program

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

1. Abe Lee Seminars; Salesperson Independent Study On-Line (3)
2. Seiler School of Real Estate; Independent Study On-Line (2)

### Education Equivalency

#### **Amending categories to qualify for the Prelicensing Education Equivalency**

It was reported that at the February Education Review Committee meeting the following was accepted by the Committee as rule-making amendments.

The Prelicense Education Equivalency for **salespersons** to include the following categories and requirements:

1. Active and current out-of-state real estate license. Attach completed "Verification of License" form.
2. Law degree from a law school accredited by the American Bar Association. Name of law school attended: \_\_\_\_\_. Date degree was conferred: \_\_\_\_\_. Attach photocopy of diploma or original certified transcripts.
3. Bachelor of Arts or Bachelor of Science degree with a major in real estate from an accredited college or university. Attach photocopy of degree or original certified transcripts and highlight the date degree was conferred.

The Prelicense Education Equivalency for **brokers** to include the following categories and requirements:

1. Active and current out-of-state real estate broker's license. Attach completed "Verification of License" form.
2. Law degree from a law school accredited by the American Bar Association. Name of law school attended: \_\_\_\_\_. Date degree was conferred: \_\_\_\_\_. Attach photocopy of diploma or original certified transcripts.

The categories and requirements recommended for deletion from the current Prelicense Education Equivalency are:

1. 6 semester credits in real estate, business, business law, real estate development, or finance courses from an accredited college or university. Attach original certified transcript and highlight the courses for reference.
2. GRI designation. Attach photocopy of certificate or original certification letter.
3. Certificate in advanced real estate from the University of Hawaii. Attach photocopy of certificate or original certification letter.
4. RE 300 and RE 310 – University of Hawaii. Attach original certified transcript or original certification letter.
5. CCIM designation. Attach photocopy of certificate or original certification letter.
6. BOMI – RPA designation. Attach photocopy of certificate or original certification letter.

7. Other professional designation or certificate. (The Real Estate Commission will review, evaluate, and decide on other professional designations or certificates on a case-by-case basis at its monthly meeting, etc.)

Administration of  
Examinations:

Pearson VUE

**Licensing Examination Statistics – January 2008**

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

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

School pass/fail rate statistics for January 2008 were distributed to the Commissioners for their information.

**School Summary Reports – January 2008**

Copies of the January 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.

Program of Work:

Annual Report, Quarterly Bulletin, and School Files

The February 2008 issue of the Real Estate *Bulletin* has been distributed. A copy is also available on the Commission's website: [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec).

The March 2008 issue of *School Files* will be distributed shortly.

Neighbor Island Outreach

The next neighbor island outreach will be held in Maui on May 7, 2008, at the REALTORS® Association of Maui offices at 441 Ala Makani Place, Kahului, Maui.

Education Evaluation Task Force

The next EETF meeting is scheduled for Thursday, March 27, 2008, at the Honolulu Board of REALTORS' office.

ARELLO, REEA and  
Other Organizations:

REEA Conference 2008; June 21-25, 2008; Bonita Springs, FL

Upon a motion by Commissioner Abrams, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to recommend sending two (2) Commissioners and two (2) staff to the REEA Conference 2008, June 21-25, 2008, in Bonita Springs, Florida, subject to the receipt of the necessary approvals and budget.

Executive Session: Upon a motion by Commissioner Nishihara, seconded by Commissioner Loudermilk, 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."

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

Continuing Education: Applications

**Course – "Legal Aspects of Condominium and Homeowners' Associations;" Author/Owner/Provider: Lorman Business Center, Inc.;**  
**Course Category: Other - Condominium and Homeowners' Association Law; Clock Hours: 6**

Upon a motion by Commissioner Nishihara, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to approve "Legal Aspects of condominium and Homeowners" as a six credit hour continuing education elective course, under the course category Other – Condominium and Homeowners' Association Law.

Next Meeting: Wednesday, April 9, 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 9:50 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani  
Neil K. Fujitani  
Acting Supervising Executive Officer

March 25, 2008  
Date

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