

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: June 10, 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
Frances T. Gendrano, Broker / Honolulu Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Trudy Nishihara, Broker / Honolulu Commissioner
Mark Suiso, Public / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner

Neil K. Fujitani, Acting Supervising Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Others: David Catanzaro

Absent: Annette Aiona, Vice Chair / Broker / Hawaii Island Commissioner
William S. Chee, Broker / Honolulu Commissioner

Call to Order: Chair Ball called the meeting to order at 9:31 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 Aiona and Chee were excused from today's meeting. Prior notice of their non-attendance was received.

Real Estate Specialist's Report: Minutes of May 7, 2008
Upon a motion by Commissioner Suiso, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the May 7, 2008, Education Review Committee meeting as distributed.

Continuing Education: Applications

2007 – 2008 Continuing Education Providers and Courses Ratification List

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

Course	Effective Date
“Understanding Credit and Improving Scores: What You Need to Know” (Author/Owner: ARELLO Certified Course/Dearborn Real Estate Education)	May 12, 2008

**Core Course – “Disclosure, Law and Ethics 2008 Core Course Part B;”
Author/Owner/Provider: REMI School of Real Estate; Course Categories:
Chapter 467, HRS/Chapter 99, HAR, and updates and Agency and
Disclosure; Clock Hours: 2**

There was a discussion on the materials submitted by Mr. Catanzaro, which needed amending. The amendments are as follows:

- Narrative
 - The title of the course, Part B, should not reflect an “ethics” component. In prior bienniums, the core course was commonly referred to as a “law and ethics update”, but for the 2007-2008 biennium, the core course includes the 2007 (and 2006) and 2008 law update, and the topics of agency and material fact disclosures, respectively. Please amend the title and include this information in the “Narrative” section.
- Bills that have passed the Legislature but have yet to be signed into law
 - Instead of the phrase, “If passed, . . .” it is more accurate to state, “If signed”
- What is Disclosure
 - The Hawaii Association of REALTORS’ (HAR) form is NOT required. The “pull down menu” should include Hawaii Revised Statutes (HRS), Chapter 508D, and not the HAR form.
- From the Industry Point of View
 - This heading does not appear to be correct for the paragraph that follows wherein you discuss the seller’s obligations. Please revise and include discussion about Chapter 467, HRS, and required disclosures, especially relative to real estate licensees.
 - The licensing law requires certain responsibilities of licensees. There should be discussion on these responsibilities. Clarify what a licensee’s responsibilities are.
- Expand discussion on excluded subjects of AIDS/HIV, and, especially notorious acts or occurrences, as there is widespread misunderstanding of what is or what is not required to be disclosed.
- Two page discussion of agency. Agency was discussed in Part A of the core course and does not need to be repeated in Part B.
- The course does not cover lead paint disclosures, condominium public report disclosures, especially regarding condominium conversions, which are not covered in public reports, or inspection of the property with the condominium conversions where there may be anomalies that an inspector may notice. A more thorough coverage of disclosure items is warranted.

Mr. Catanzaro arrived. The Chair thanked Mr. Catanzaro for offering an online course. The Chair reiterated to Mr. Catanzaro the amendments to the course which were noted. Mr. Catanzaro said that he would make the corrections as noted.

The Chair mentioned that she liked the pre- and post-tests.

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to defer approval of the course, "Disclosure, Law and Ethics 2008 Core Course Part B" as a two hour, part B, core course for the 2007 – 2008 biennium, under the course categories Chapter 467, HRS/Chapter 99, HAR, and updates and Agency and Disclosure, pending resubmission with the changes as noted.

Course – "Get A Life! Increase Income, Plan, and Delegate;" Author/Owner: Tony A. Drost, MPM, RMP; Provider: Kona Board of REALTORS®; Course Categories: Property Management and Broker Management; Clock Hours: 3

The Commissioners expressed their concerns that the application did not contain sufficient information in which to determine if continuing education credits should be given for the course. The course discusses time management, disclosures, and how to add staff to support the property manager. The course does not show licensees how they can better protect the consumer or how it raises the professional standards of the licensee. The time line that was submitted does not explain sufficiently what the course will cover. The submission also mentions that it will have three profit centers, but does not explain it further.

The Commissioners noted the author's credentials and experience in the course subject matter, but the course content did not reflect this expertise.

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Nishihara, it was voted on and unanimously carried to deny "Get A Life! Increase Income, Plan, and Delegate" as a three credit hour continuing education elective course under the course categories Property Management and Broker Management, as the course appears to teach general office and coping skills and does not meet the continuing education requirements which is to improve the licensee's competency.

Provider – Continuing Ed Express LLC; James Luger, Administrator

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kuriyama, it was voted on and unanimously carried to approve Continuing Ed Express LLC as a continuing education provider.

Continuing Education Core Course

The final version of the Commission's core course part B, "Part B, Real Estate Law Review and Material Fact Disclosures Overview," was distributed to the Commissioners for their information.

It is the provider's responsibility to insure that their instructors teach accurate information. This would specifically apply to updates on the signing of bills by the Governor.

Specialist Fujimura will work with Kenneth Chong to send out information to the providers regarding any updates to the core course materials.

Prelicense Education: 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 (9)
2. Seiler School of Real Estate; Independent Study On-Line (6)
3. Vitousek Real Estate School (1)

Administration of
Examinations:

Pearson VUE

Licensing Examination Statistics – April 2008

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

School Pass/Fail Rates – April 2008

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

School Summary Reports – April 2008

Copies of the April 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.

It was noted that the passing rates for real estate brokers improved.

Exam Monitoring

Honolulu Test Center Monitoring – Report 4/30/08

Specialists Endo and Grupen monitored the Honolulu test center on April 30, 2008, and copies of their evaluations were distributed to the Commissioners for their information.

Specialist Endo will monitor the Big Island test center on Saturday, June 21, 2008.

The Chair mentioned that one of her students who took her course took the examination in Wisconsin. She reported that everything went well.

The Acting Supervising Executive Officer reported that Pearson Vue has been taking extra precautions with their security measures. Prior to monitoring the exam, staff is given a letter of introduction, which they must present at the examination site to be able to monitor the exam.

The Big Island test site has been experiencing problems with testing. Pearson Vue is aware of the problems and is working to rectify the problems.

Staff was asked if they could monitor the exams unannounced. The Acting Supervising Executive Officer stated that there was a provision in the contract which would allow unannounced monitoring. It was recommended that staff consider monitoring the exams without notice. Staff monitors the exam sites once a year. If there are problems with a test site, more on-site monitoring may be planned.

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

Senior Specialist Fujimura reported that the June 2008 issue of the *Real Estate Bulletin* was distributed and a copy may be viewed on the Commission's website: www.hawaii.gov/hirec.

It was also reported that the June issue of *School Files* will be distributed shortly and a copy will be made available on the Commission's website: www.hawaii.gov/hirec.

Real Estate Specialists' Office for the Day – Report

The copy of the report of the Real Estate Specialists' Office for the Day held on Maui on Wednesday, May 7, 2008, was distributed to the Commissioners for their information.

Education Evaluation Task Force – Report 5/2/08 Meeting

A copy of the report of the EETF meeting held on May 2, 2008, was distributed to the Commissioners for their information. The task force discussed the final draft of the core course part B which was distributed to the Commissioners at today's meeting.

Budget and Finance Report: Budget and Finance Report

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the Real Estate Education Fund report for period ending March 31, 2008.

Next Meeting: Wednesday, July 9, 2008
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.
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
10:07 a.m.

Reviewed and approved by:

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

June 16, 2008
Date

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