

# School Files

Hawaii Real Estate Commission

April 2011

[www.hawaii.gov/hirec](http://www.hawaii.gov/hirec)

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## **2011-2012 CORE COURSE, PART A "Other Statutes and Rules that Impact Your Real Estate Practice"**

The development of the Commission's mandatory core course for the 2011-2012 biennium is underway. Digital Learning Centers, headed by David Catanzaro, is the new core course developer. Included in Core A will be the 2011 Hawaii Legislative Update, and, as the topic of focus, how other statutes and rules impact the practice of real estate licensees.

The 2009-2010 Core Course, Part A and Part B are available online through May 31, 2011. After May 31<sup>st</sup>, licensees reactivating their license will have to take another CE elective course in lieu of the prior biennium's core course.

The train-the-trainer sessions for Core A, 2011-2012, is scheduled for June 13 at the Honolulu Board of REALTORS<sup>®</sup> and June 14 at the West Hawaii Board of REALTORS<sup>®</sup> (fka Kona Board of REALTORS<sup>®</sup>), 9:30 a.m. – 12:30 p.m. This is subject to change.

Also, licensees needing to complete CE to reactivate or restore their license will need to complete 10 hours of CE (including the 4 hours of core course work). This will change in 2013, when licensees must complete 20 hours of required CE to reactivate or restore their license.

The 2011-2012 core course will be offered in two parts, Part A and Part B. Each part is worth 2.5 hours of CE credit, totaling 5 hours. This will leave a total of 15 hours of CE elective courses licensees will need to complete to fulfill their CE requirement to renew their license on active status for the 2013-2014 biennium.

## BPOs

Broker Price Opinions (BPOs), as word has it, have been and are still performed for a fee on a regular basis by many real estate licensees. However, real estate licensees may not legally charge a fee for rendering a BPO. The licensing statutes and rules relating to real estate brokers and salespersons do not address BPOs. It is in the Hawaii Administrative Rules (HAR) Chapter 114, relating to **real estate appraisers** where BPOs as related to real estate licensees are addressed.

This section states: “HAR section 16-114-74, Nonapplicability to real estate brokers or real estate salesperson. This chapter shall not apply to a real estate broker or salesperson licensed by this State pursuant to chapter 467, HRS, who, in the ordinary course of the real estate broker’s or salesperson’s business, gives an opinion as to the recommended listing price of real estate or an opinion to a potential purchaser or third party as to the recommended purchase price of real estate, provided;

- 1) The opinion shall not be referred to as an appraisal.
- 2) No compensation is charged for such opinion other than the normal brokerage fee rendered in connection with the sale of the property; or
- 3) No representation is made that the real estate broker or salesperson is a certified or licensed real estate appraiser.”

A real estate salesperson or broker may not receive compensation or assess a fee “other than the normal brokerage fee rendered in connection with the sale of the property.”

The buzz about BPOs began escalating in 2009 and throughout 2010. When the 2011 Hawaii State Legislature convened, HB 320 and SB 154, “Relating to Broker Price Opinions” were both submitted for consideration. The basic purpose of the bills was to make it possible for real estate licensees to receive compensation for rendering broker price opinions. But how was this to be accomplished in the least amount of time and with the least amount of impact on the existing laws and rules.

Through much discussion between the impacted parties, HB 320 HD2 SD1 has emerged and, if passed, will amend Section 466K-4, Hawaii Revised Statutes, to read as follows:

**“§466K-4 Practice as a real estate appraiser; uniform standards.** (a) No person may practice as a real estate appraiser in this State unless that person has been licensed or certified to practice in accordance with this chapter and rules adopted by the director of commerce and consumer affairs pursuant to chapter 91. All real estate appraisers who are licensed or certified to practice in this State shall comply with the current uniform standards of professional appraisal practice approved by the director when performing appraisals in connection with a federally or non-federally related real estate transaction.

(b) This section shall not apply to any real estate appraiser employed by any county for purposes of valuing real property for ad valorem taxation.

(c) This section shall not apply to a real estate broker or real estate salesperson licensed pursuant to chapter 467 who provides an opinion as to the estimated price of real estate, regardless of whether the real estate licensee receives compensation, a fee, or other consideration for providing the opinion; provided that:

- (1) The opinion as to the estimated price of real estate shall state that it is not an appraisal;

- (2) The real estate licensee shall not represent that the licensee is a certified or licensed real estate appraiser; and
- (3) If the real estate licensee receives compensation related to the sale of property, the licensee shall not receive any additional compensation, fee, or other consideration for providing an opinion as to the estimated price of that property.”

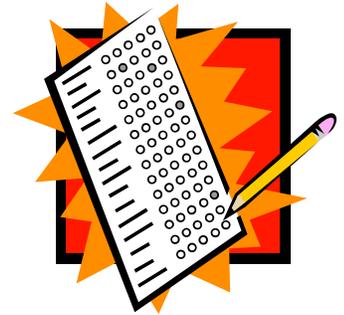
New statutory material is underscored. This Act shall take effect upon its approval.



## PSI ITEM WRITING BY INSTRUCTORS

Hear ye, hear ye! All prelicense instructors who have moaned and groaned ad nauseam to the Real Estate Branch about the difficulty of the real estate licensing examination, here's your chance . . . . the chance you've all been waiting for!

One representative from each registered prelicense school will be allowed to participate in item writing with the Commission's test vendor, PSI. This will take place during the latter part of the summer. There will be webinar training on how to construct appropriate and defensible test questions. Following the training, the participating instructors will be asked to submit a yet-to-be-determined number of questions on specific areas of the exam where additional items are needed. Please note, although all questions will be accepted, there may be questions that will not be included in the final pool for the exam.



The completed new items will be submitted to the Real Estate Branch staff, and will be further reviewed at the 2011 Hawaii Test Development meeting, before being added as pre-test items on the Hawaii real estate licensing exams.

Specific information on the webinar and item writing will be disseminated via email ([roster@dcca.hawaii.gov](mailto:roster@dcca.hawaii.gov)) when available.



## FAREWELL . . .



The Real Estate Commission will be saying aloha to two-term Commissioner and Chair of the Real Estate Commission, Trudy Nishihara. Ms. Nishihara's term ends on June 30, 2011. During her 8-year tenure as a Commissioner from O'ahu, Ms. Nishihara served as Chair of the Education Review Committee, and from 2006, she served as the Chair of the Commission. Her passion for quality education for licensees and concern for the professionalism of new and experienced licensees was evident throughout her two terms. The real estate industry benefited from having a dedicated and committed person serving on the Real Estate Commission. Aloha!

## REMINDERS



### CONTINUING EDUCATION PROVIDERS

- 1) Please refer to the CE Course Certification Table included in this issue on page 5, when you are submitting a CE course to the Education Review Committee (ERC) for review. It's simple to understand and a clear guide to what you need to submit for review.
- 2) Remember that agenda items for the ERC meeting must be submitted 10 to 14 days PRIOR to the scheduled meeting date. The schedule of ERC meetings is included in this issue. If not received within this time frame, the item will be placed on the agenda for the following month.
- 3) Clock hours for a course may range from the required minimum of 3 clock hours up to 15 clock hours of instruction time.
- 4) Please submit a resume for the CE instructor teaching the course. If the author/owner of the course is submitting the course, please submit his or her resume.
- 5) Attached to the CE course application is a list for identifying the course topics covered, and the time frames of instruction for each topic. Please include all topics and time frames for those topics that qualify for CE credit based on section 16-99-100, Hawaii Administrative Rules (HAR). Please also review section 16-99-101, HAR, which notes courses NOT acceptable for CE course certification.

It is assumed that the entire course content would qualify for CE credit; however, some courses include topics that, in the eyes of the ERC, do not qualify for CE credit. An example of a topic not meeting the definition of CE is discussion on how to increase sales, and marketing strategies. The bottom line is consumer protection. If a course topic centers more on increasing sales versus consumer protection, the ERC may not allow CE credit for that portion of the course. The number of clock hours submitted may be reduced.

- 6) The 2011-2012 Core Course, Part A (Core A) is being developed. Core A availability for both online and live-classroom offering is targeted for mid-June 2011. Core A will include the 2011 Hawaii legislative update and the topic of "other statutes and rules that impact real estate practice." (The final topic heading has not been determined at this time.)
- 7) The 2009-2010 Core Course, Part A and Part B will be available online until May 31, 2011.

### PRELICENSURE SCHOOLS AND INSTRUCTORS

- 1) Independent Study instructors and schools – please submit student course evaluations to the Real Estate Branch.
- 2) Please submit all course logs to the Real Estate Branch in a timely manner.
- 3) In the near future, the Commission plans to convert the prelicense education database into an electronic database much like the Online Real Estate Continuing Education system. Details will be provided when the project is launched.

## DOCUMENTS TO SUBMIT WHEN CERTIFYING A CONTINUING EDUCATION 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			<b>X</b> Submitted by author/owner		<b>X</b>	
Elective Course previously certified by author/owner	<b>X</b>	<b>X</b>				
Nationally or ARELLO Certified Course (taught by a nationally certified instructor certified by the NAR or its affiliates)	<b>X</b>	<b>X</b>		<b>X</b>		<b>X</b>
Nationally or ARELLO Certified Course (taught by a nationally certified instructor certified by BOMA, CAI or national organization approved by the Commission)	<b>X</b>	<b>X</b>		<b>X</b>		<b>X</b>
Nationally- or ARELLO- Certified Course ( <b>NOT</b> taught by a nationally or ARELLO certified instructor, live or online)	<b>X</b>	<b>X</b>	<b>X</b>		<b>X</b>	

Follow this chart when submitting continuing education courses for certification.

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. When submitting a course for approval, please review the course content, topic by topic, so that you may justify the total time requested for CE credit. There is a form attached to the course application for just

this purpose. The person submitting the course for certification must provide a list of course topics and time frames for all topics **qualifying for CE credit**.

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

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.



#### 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  
Eddie Flores Real Estate  
Continuing Education  
ERA School of Real Estate a Division of SRH Inc.  
Hawaii Association of Realtors  
Hawaii CCIM Chapter  
Hawaii Institute of Real Estate (HIRE)  
Hawaii Island Board of Realtors  
Hogan School of Real Estate  
Honolulu Board of Realtors  
Kauai Board of Realtors  
Levin & Hu, LLP  
Lorman Education Services  
Lynn W. Carlson  
McKissock, LP  
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  
University of Hawaii Maui College - OCET  
Vitousek Real Estate Schools, Inc.  
West Hawaii Association of Realtors

#### PRELICENSURE 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 Foulger's School of Real Estate  
REMI School of Real Estate  
Seiler School of Real Estate  
University of Hawaii at Manoa Outreach College  
University of Hawaii Maui College - OCET  
Vitousek Real Estate Schools, Inc.



## REAL ESTATE COMMISSION MEETING SCHEDULE

<b>Laws &amp; Rules Review Committee – 9:00 a.m.</b> <b>Condominium Review Committee – Upon adjournment of the Laws &amp; Rules Review Committee Meeting</b> <b>Education Review Committee – Upon adjournment of the Condominium Review Committee Meeting</b>	<b>Real Estate Commission</b> <b>9:00 a.m.</b>
Wednesday, April 13, 2011	Thursday, April 28, 2011
Wednesday, May 11, 2011	Friday, May 27, 2011
Wednesday, June 8, 2011	Thursday, June 23, 2011
Wednesday, July 13, 2011	Friday, July 29, 2011
Wednesday, August 10, 2011	Friday, August 26, 2011
Wednesday, September 7, 2011	Friday, September 23, 2011
Wednesday, October 12, 2011	Friday, October 28, 2011
Wednesday, November 9, 2011	Wednesday, November 23, 2011
Wednesday, December 7, 2011	Friday, December 16, 2011

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor.

*Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec) or call the Real Estate Commission Office at (808) 586-2643 to confirm the dates, times and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at (808) 586-2643 to submit your request.*



### CANCELLATION OF FURLOUGH DAYS – DCCA

The Department of Commerce and Consumer Affairs (DCCA) will not be observing furlough days from April through June 2011. Furlough days that were scheduled in the DCCA for April 1, April 29, May 6, May 20, June 17, and June 24 (all Fridays) are canceled.

The main DCCA offices at the King Kalakaua Building and the Business Action Center in Honolulu, as well as the DCCA offices in Kona, Hilo, and Maui will be fully accessible to the public.

DCCA offices that are located in buildings that are operated and maintained by the Department of Accounting and General Services and shared with other state agencies will be operating, but public access will be limited to contact by telephone or email, or by appointment. These location include:

- ❖ 235 South Beretania Street, Honolulu
  - Regulated Industries Complaints Office – Oahu, 587-3222 [rico@dcca.hawaii.gov](mailto:rico@dcca.hawaii.gov)
  - Office of Consumer Protection, 587-3222 [ocp@dcca.hawaii.gov](mailto:ocp@dcca.hawaii.gov)
- ❖ 3060 Eiwa Street, Lihue
  - Regulated Industries Complaints Office – Kauai, 274-3200 [rico@dcca.hawaii.gov](mailto:rico@dcca.hawaii.gov)

Commissioners:

Trudy I. Nishihara, Chair  
Real Estate Commission

Stanley M. Kuriyama, Vice Chair  
Real Estate Commission

Donna Apisa

Carol Mae A. Ball, Chair  
Education Review Committee

Frances T. Gendrano, Chair  
Laws and Rules Review Committee

Walter Harvey, Vice Chair  
Laws and Rules Review Committee

Michele Sunahara Loudermilk, Chair  
Condominium Review Committee

Scott A. Sherley, Vice Chair  
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Mark Suiso, Vice Chair  
Condominium Review Committee

SCHOOL FILES

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**This material can be made available for individuals with special needs. Please call the Senior Real Estate Specialist at 586-2643 to submit your request.**