

# School Files

Hawaii Real Estate Commission

July 2011

www.hawaii.gov/hirec

## *What's in this Issue?*

- Update on 2011-2012 Mandatory Continuing Education Course
- BPOs
- Instructor CE credits
- New Commissioners
- Commission Organization
- PSI Webinar
- Reminder
- Rule-Making Updates
- Reactivating a License
- List of CE Providers
- List of Prelicense Schools

## **UPDATE ON 2011-2012 MANDATORY CONTINUING EDUCATION COURSE**

To date, the Commission's 2011-2012 Mandatory Continuing Education Course ("Mandatory CE Course") is still on hold. When specific information is made available all registered Continuing Education Providers will be notified through the Real Estate Branch's "roster" email. Please do not schedule any offerings referring to Core A or Core B for the 2011-2012 biennium, until the course is finalized and train-the-trainer sessions have been completed.

## **ACT 212 SLH 2011 – BROKER PRICE OPINIONS**

In 2009, broker price opinions and the rendering of these opinions by Hawaii real estate licensees became an issue of concern in the real estate community. If a Hawaii real estate licensee is charging a fee or other consideration/compensation for a broker price opinion "other than the normal brokerage fee rendered in connection with the sale of the real property," then it appears that the licensee may be found in violation of the rules for Real Estate Appraisers, section 16-114-74(2), Hawaii Administrative Rules (HAR). Other possible violations may also be involved in this situation.

Chapter 467, Hawaii Revised Statutes, and Chapter 99, HAR, do not address BPOs as related to Real Estate Brokers and Salespersons. Based on the apparent reality that many real estate licensees were rendering BPOs, two bills were introduced at the 2011 Hawaii State Legislature, HB 320 and SB 154, to address the rendering of BPOs by real estate licensees by allowing compensation for the BPOs subject to certain conditions.

HB 320 HD2 SD1 was passed by the Twenty-sixth Legislature, 2011, and signed into law as Act 212 on July 11, 2011. Note that it is the Real Estate Appraiser law, Chapter 466K, Hawaii Revised Statutes (HRS) will be amended to allow real estate salespersons and brokers to render broker price opinions for compensation. (Continued on page 2)

Here is the text of Act 212:

## Relating to Broker Price Opinions

SECTION 1. Section 466K-4, Hawaii Revised Statutes, is amended 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 estate 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.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.



## REQUESTS FOR INSTRUCTOR CE CREDIT

A form is now available for CE instructors, who are also real estate licensees, for requesting CE credit for CE courses taught during the current biennium. On the Commission’s website, [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec), click on “forms” and “CE Application forms.” The instructor/licensee should NOT be inserting his or her name in the roster listing the course completions by licensees.

Hawaii Administrative Rules, section 16-99-96, reads, “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 biennium, the clock hours for each course taught. The one time use applies even when the instructor has taught the course more than once.”

The written request must be received by the license renewal deadline of November 30, of even-numbered year.

## THE COMMISSION WELCOMES THREE NEW COMMISSIONERS

The Hawaii Real Estate Commission welcomes three new commissioners as of July 1, 2011. Joining the Commission are Rowena Cobb, representing Kauai, Aileen Wada, representing O'ahu, and Nikki Senter, public member from O'ahu. The term for Ms. Wada will expire June 30, 2015, and the terms for Ms. Cobb and Ms. Senter will expire June 30, 2014.



### **Rowena Cobb**

Rowena Cobb is the principal broker and owner of Cobb Realty, founded in 1982. She is a Certified Residential Broker Manager, Certified Residential Specialist, Graduate – Real Estate Institute, and holds certifications in e-Pro, and SFR– Short Sale & Foreclosure Resource.

She graduated from Kauai High School, and subsequently graduated from Bob Jones University, Greenville, South Carolina with a major in Secondary Education. She is a member of the Kauai Board of REALTORS<sup>®</sup>, past president in 1985, treasurer and director from 2007-2010. She also is a continuing education instructor for the Kauai Board of REALTORS<sup>®</sup>.

Ms. Cobb is a current member and past chair of the Hawaii Association of REALTORS<sup>®</sup>, Government Affairs Committee, a member and past chair of the Standard Forms Committee from 2001-2006, served as president-elect and president in 2009 of the Certified Residential Brokerage Council, and served as a director of the Neighbor Island Multiple Listing Service from 1985-1992. She was the chair of the board for MLS, Inc., 1993. She was also awarded the REALTOR<sup>®</sup> Associate of the Year in 1983, and REALTOR<sup>®</sup> of the Year in 1986.

### **Aileen Wada**

Aileen Y. Wada is an O'ahu broker and Manager at Prudential Locations, LLC since 1979. She holds the GRI designation. Ms. Wada is an active and productive agent and has received numerous awards from the brokerage including the President's Circle, Leading Edge Society Award, and Client Service Award from 2002 and 2009.



### **Nikki Senter**



Nikki Senter is an attorney with Imanaka, Kudo and Fujimoto in Honolulu since 2001. She joins the Commission as a public member and has experience in the condominium and real estate development areas. She is a past condominium consultant with the Hawaii Real Estate Commission. Ms. Senter also teaches the Commission's core courses for Eddie Flores Real Estate Continuing Education.

She is a graduate of the William S. Richardson School of Law and the University of Hawaii at Manoa, where she majored in Travel Industry Management. She graduated from Hawaii Baptist Academy. Ms. Senter is a current member of the Hawaii State Bar and American Bar Associations.

## NEW COMMISSION ORGANIZATION 2012

For the fiscal year 2012, the Commission will be headed by Chair Carol Ball, Broker, Maui, and Vice-Chair, Stanley Kuriyama, Broker, O'ahu.

The Commission's standing committees will be organized as follows:

Laws and Rules Review Committee – Chair-Frances Gendrano, Vice Chair – Walter Harvey

Condominium Review Committee – Chair – Michele Sunahara Loudermilk, Vice Chair – Nikki Senter

Education Review Committee – Chair – Scott Sherley, Vice Chair – Rowena Cobb



### PSI PRELICENSE INSTRUCTOR ITEM WRITING WEBINAR MAY 24-25, 2011

Moderator: Carolyn Moore-Mooso, PSI Test Development Specialist



Two webinar sessions were held for Prelicense Instructors in preparation for the development of examination items for the state-specific portion of the Hawaii real estate salesperson and broker examinations. The purpose of the webinar was to ensure that all items are written in accordance with item-writing principles that are standard practice in the testing industry.

All prelicense instructors who participated expressed appreciation that they were able to take part in the process. For some, it was instructive as to how a good test item is constructed. Not only does the “stem” or the exam question have to be appropriate, the three “detractors” and the correct answer also have to be well-constructed. There's more to developing a defensible test than meets the eye.

The participants were given the opportunity to select areas of the content outline they feel they could contribute or have a specialized interest/expertise in and draft 5-10 questions each, which will be reviewed at the next test development session.



### REMINDERS

All prelicense schools – please submit copies of student evaluations for INDEPENDENT STUDY courses. These evaluations are reviewed by the Commission's Education Review Committee each month.



Report all prelicense course completions within a reasonable amount of time. Recently, the Real Estate Branch received course completions from 2008. This is unacceptable! This failure to report in a timely manner may result in skewed statistics for those years and may also lead to problems dealing with licensing applicants. An online prelicense system is being developed and will, hopefully, make these late reporting of completions a thing of the past.

## RULE-MAKING UPDATE

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.

The draft of the proposed rule amendments is currently being reviewed by the Commission’s Deputy Attorney General. Once this review is completed, the draft will be forwarded back to the Real Estate Branch for further review.

Here is a sample of some proposed rule changes that may be of interest to real estate educators. (Note: The underscored material is a proposed addition to the rules. Material that is crossed through is proposed for deletion.)

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.

## REACTIVATING A LICENSE

Previously, a licensee reactivating their license, when the previous biennium's core course was no longer available (after May 31 of the even-numbered year), had to take 12 continuing education elective credits. Effective immediately, licensees reactivating their license must take 10 hours of continuing education elective credits. This change was made based on the availability of continuing education courses of 3 to 15 credit hours. Previously, continuing education elective courses were only approved for 3 hours, thus a licensee would have to take at least four three-hour courses to accumulate the 10 hours to reactivate their license.



### 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  
Dearborn Financial Publishing, Inc.  
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

### 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)  
Hudson Real Estate School  
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.



## COMINGS AND GOINGS



**Amy S. Fujioka** (left) joined the Real Estate Branch on June 1, 2011 as the new Office Assistant for the real estate section of REB.



**Coleen C. Yamashita** (right) joined REB on July 1, 2011 as the new Education Clerk. She will be taking care of the continuing education and preclicense areas.

Welcome Amy and Coleen!

Jon E. Pangilinan, REB's Executive Officer, resigned effective June 30, 2011. We wish Jon much success in his new endeavors.



### Commissioners:

Carol Mae A. Ball, Chair  
Real Estate Commission

Stanley M. Kuriyama, Vice Chair  
Real Estate Commission

Rowena B. Cobb, Vice 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, Chair  
Education Review Committee

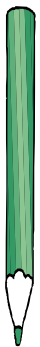
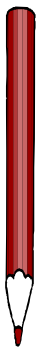
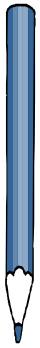
Aileen Y. Wada, Member

Nikki T. Senter, Vice Chair  
Condominium Review Committee

### SCHOOL FILES

Published by the  
Hawaii Real Estate Commission  
335 Merchant Street, Room 333  
Honolulu, Hawaii 96813  
(808) 586-2643

©Copyright Hawaii Real Estate Commission 2011 All rights reserved. Funded by the Real Estate Education Fund and provided as an educational service to Hawaii real estate educators. This publication is designed to provide general information on the subject matter covered and is not a substitute for professional services to address specific situations. If legal advice or other expert assistance is required, please seek the services of a competent professional.



**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.**

