

1999 Annual Report

Real Estate Commission

State of Hawaii

Department of Commerce and Consumer Affairs
Professional and Vocational Licensing Division

Alvin M. Imamura, Chair
Nora A. Nomura, Vice Chair
Charles H. Aki
Michael G. Ching
Alfredo G. Evangelista
Mitchell A. Imanaka
Helen Lindemann
John Ohama
Iris R. Okawa
Patricia Choi

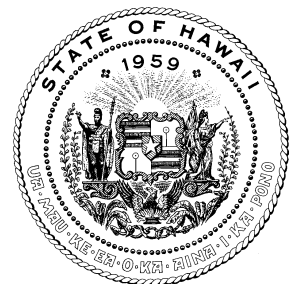


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1999 REAL ESTATE COMMISSION

Alvin M. Imamura

Chair
Maui

Nora A. Nomura

Vice Chair
Oahu, Public Member

Charles H. Aki

Chair, Education Review Committee
Hawaii

Michael G. Ching

Chair, Laws and Rules Review Committee
Kauai

Alfredo G. Evangelista

Chair, Condominium Review Committee
Oahu, Public Member

Mitchell A. Imanaka

Vice Chair, Condominium Review Committee
Oahu

Helen Lindemann

Vice Chair, Education Review Committee
Oahu

John Ohama

Vice Chair, Laws and Rules Review Committee
Oahu

Iris R. Okawa

Oahu, Public Member

Patricia Choi

Oahu, Incoming Commissioner

State of Hawaii Real Estate Commission Professional and Vocational Licensing Division Department of Commerce and Consumer Affairs



Kathryn S. Matayoshi, Director
Gilbert S. Coloma-Agaran, Deputy Director
Noe Noe Tom, Licensing Administrator

Real Estate Branch:

Calvin Kimura, Supervising Executive Officer
Christine Rutkowski, Executive Officer
Pamela T. Garrison, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Russell Wong, Real Estate Specialist
Naomi Cole, Real Estate Specialist
Gina Watumull, Condominium Specialist
Morris Atta, Condominium Specialist
Irene Kotaka, Secretary
Tammy Norton, Secretary
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Jon Gasper, Clerk
Leilani Yam, Clerk
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This publication is designed to provide general information on the subject matters covered and is not a substitute for professional services to address specific situations. If legal advice or other expert assistance is required, 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 586-2645 to submit your request.

The Chair's Message



The Honorable Benjamin J. Cayetano, Governor, State of Hawaii and Ms. Kathryn S. Matayoshi, Director, Department of Commerce and Consumer Affairs:

This report on the fiscal year 1999 activities of the Real Estate Commission illustrates a typical year of events in addition to added responsibilities that arose due to renewals and changes in legislation. The Commissioners met the challenges set before them with great fervor. Thus, we ended the fiscal year with a great sense of satisfaction and fulfillment.

I would like to take a moment to acknowledge and thank my Vice Chair, Nora Nomura. The boundless effort of Nora and her fellow Commissioners were greatly appreciated. Commissioners Aki, Ching, Nomura, Evangelista, Lindemann, Ohama, Imanaka, and Okawa met two days each month in committee and or Commission meetings. They also worked on Commission programs during their own time, which further demonstrates their commitment. I would like to express my heartfelt gratitude to Commissioner Helen Lindemann, Vice Chair for the Education Review Committee, whose term ended in June. We welcome Patricia Choi as successor to her seat on the Commission.

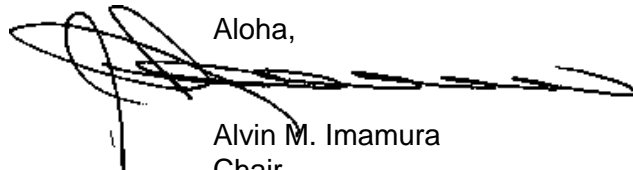
The declining licensee population of the 1990's, and its impact on the real estate recovery and real estate education funds, may have stemmed. For the first time since 1990, there was an increase (21%) in the number of new licenses issued. At the same time, the usual renewal year's decline in total numbers of licensees (-15%) was less than it has been the past four renewals. At the end of the fiscal year, June 30, there were 13,033 active and inactive licensees.

The Commission is also responsible for the registration of condominium associations, condominium hotel operators, and condominium managing agents. In 1999, 1,361 associations representing 114,449 apartments registered with the Commission. There were also 117 registered condominium hotel operators and 113 registered condominium managing agents.

The Commission's staff continued to field a monumental number of inquiries and applications while processing the renewal of 13,000 licenses and implementing significant changes to the licensing and condominium laws. Our staff worked on over 60,000 real estate and condominium inquiries and applications.

The Commission's web site continues to thrive, receiving 57,686 hits during the 1999 fiscal year. This is 2 1/2 times the number of hits received in 1998. We will continue to expand the web site, as it has become the Commission's primary publication. It is the most cost-effective means of communicating with licensees, the condominium community, and the public.

As can be seen in this report, the Commission has had a very busy and productive 1999.

Aloha,

Alvin M. Imamura
Chair

Laws and Rules Review Committee Report

Under the leadership of Chair Michael G. Ching and Vice Chair John Ohama, the Laws and Rules Review Committee was responsible for the Commission's legislative activities, rulemaking process, administration of the real estate recovery fund, and licensing programs.

1999 Licensing Legislation

Act 240 (S.B. No. 238) made numerous changes to the real estate licensing law, Chapter 467, HRS, as follows:

- a. Transferred the responsibility for certification of continuing education instructors from the Commission to CE providers.
- b. Authorized the Commission to issue a preliminary, nonbinding decision on an individual's license application.
- c. Changed the licensing of branch offices to a registration requirement.
- d. Eliminated the requirement that salesperson licenses be displayed at the office.
- e. Changed the broker experience requirement to experience as a full-time salesperson under a Hawaii broker for three years prior to the examination.
- f. Permits the Commission flexibility in administration of the licensing examination.
- g. Allows the Commission to set a renewal deadline prior to the December 31 license expiration.
- h. Simplified the requirements for restoration of forfeited licenses.
- i. Abolished the requirement for registration of site offices.

Act 47 (H.B.791) codified the responsibilities of principal brokers, combined continuing education provisions into a new section for easier review and understanding, increased the flexibility and options for providing

continuing education courses, made continuing education providers responsible for certifying their instructors, and directed the Hawaii Association of Realtors to convene a work-study group to discuss continuing education issues and to make proposals to the next legislature.

The new principal broker responsibility section incorporated the existing requirements of Hawaii Administrative Rules §16-99-71 and requires principal brokers to develop a training program and ensure that associated licensees are knowledgeable and current on licensing laws and rules. Principal brokers must develop policies for handling real estate transactions and for continuing education requirements for associated licensees, in compliance with the statutory requirement.

The act deregulated continuing education instructor certification by making the providers responsible for certifying that their instructors meet the Commission's requirements. It clarified the Commission's authority with respect to setting the number of credit hours per course, setting content and other requirements for courses, providers and instructors, and specifying mandatory core courses or equivalencies.

Recovery Fund

One of the Committee's responsibilities is to oversee the real estate recovery fund. In 1999, the Commission received 13 notices of the filing of court cases that might result in payment from the fund. The number of notices received was 28% fewer than the 18 received in 1998. See Chart 1. The real estate recovery fund paid out \$25,000 in claims in 1999. This dollar amount was substantially lower than the \$145,000 paid out in 1998. See Chart 2.

Chart 1. Recovery Fund - Notices

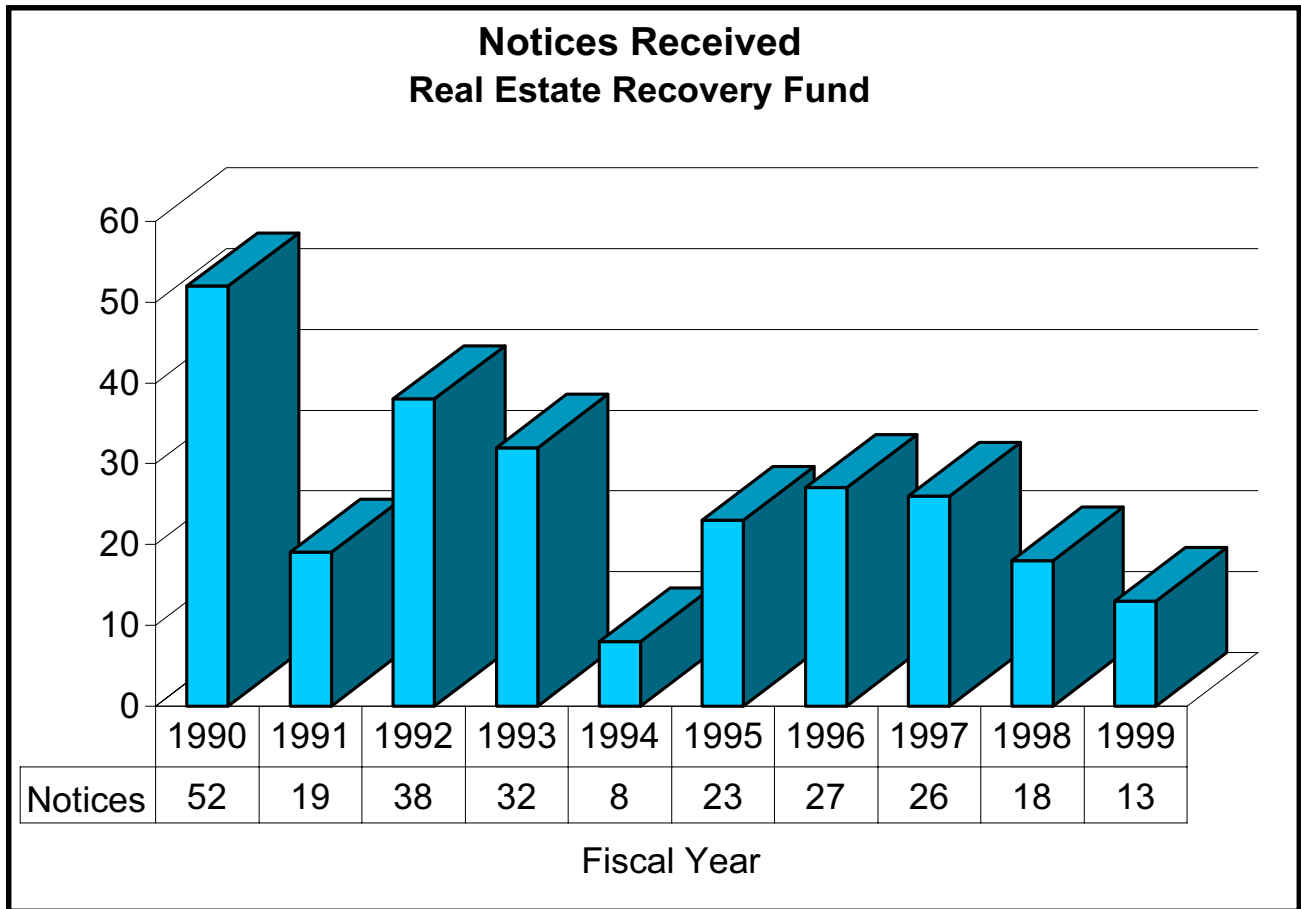
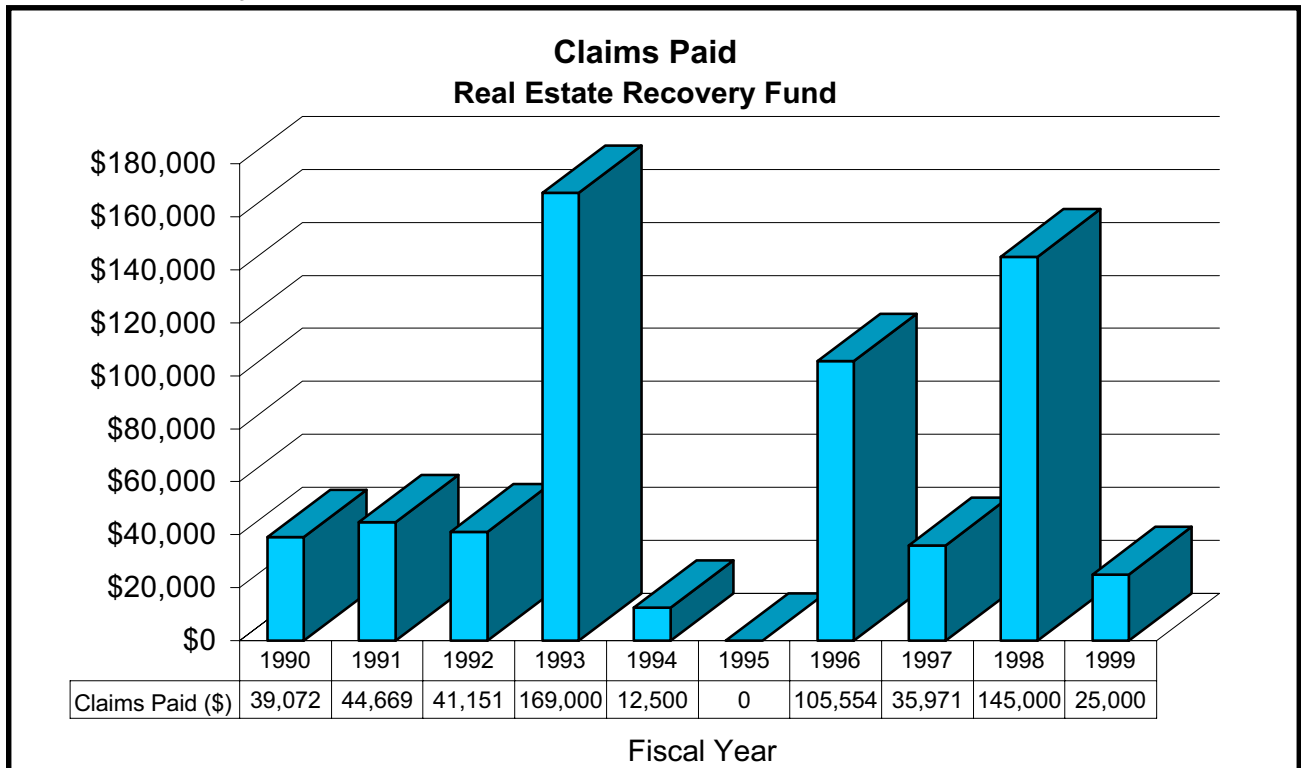


Chart 2. Recovery Fund - Claims Paid



Education Review Committee Report

Commissioner Charles H. Aki served as Chair of the Education Review Committee with Commissioner Helen Lindemann as Vice Chair. The Committee is responsible for most of the Commission's real estate education program, overseeing the real estate licensing examination, and administering the real estate education trust fund.

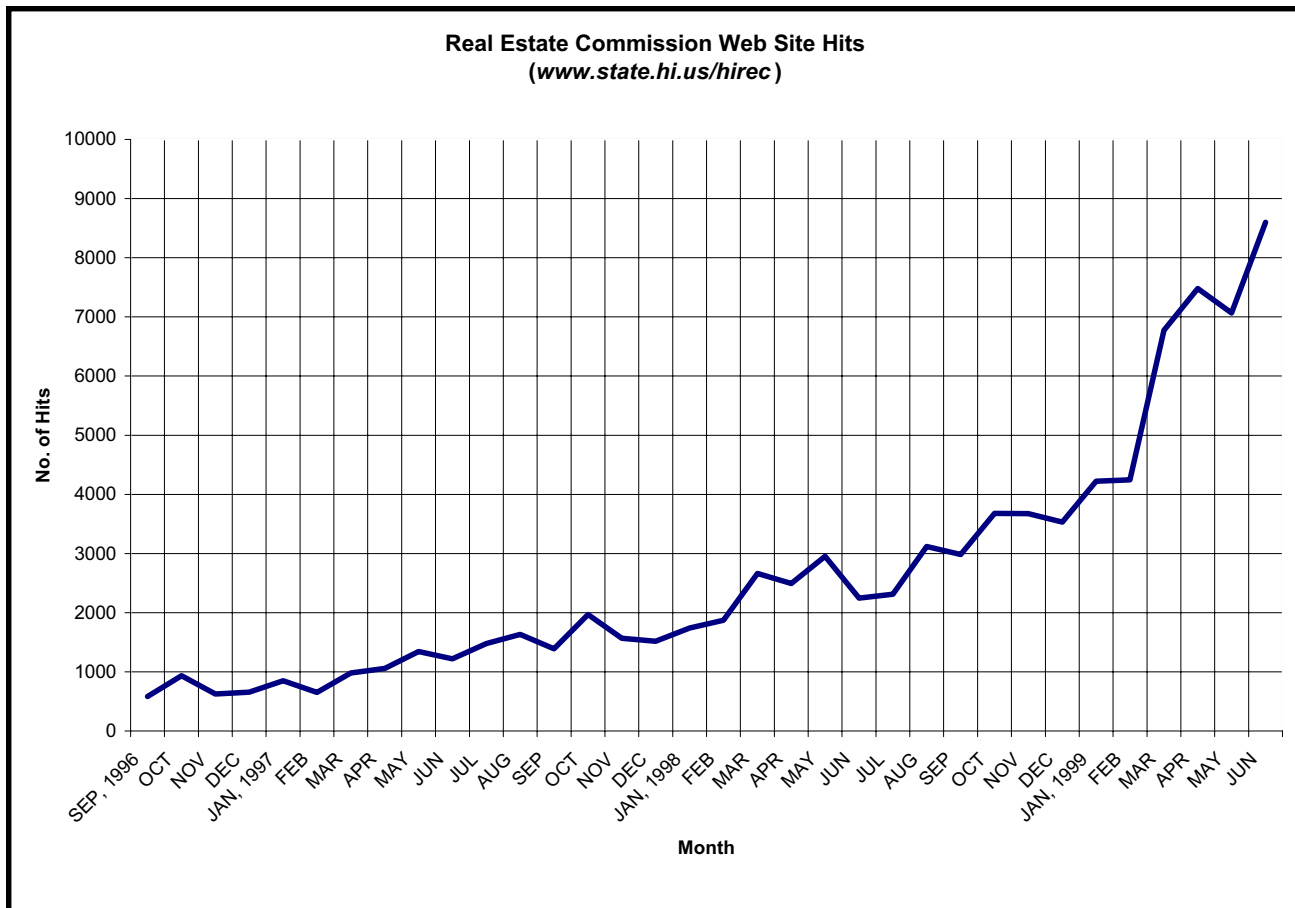
Publications

The Commission continues to publish the *Real Estate Bulletin*, *School Files*, *Hawaii Condominium Bulletin*, and a Web site (www.state.hi.us/hirec, referred to as *hirec*). In a cost saving measure, in 1997 and 1998, one issue of the *Real Estate Bulletin* served as the Commission's annual report in lieu of a

separate publication. Instead of using the *Bulletin*, this year's annual report is a separate publication but with very limited print distribution. The annual report will, however, be made generally available to licensees and the public through its publication on *hirec*.

The *Bulletin* has been the Commission's lifeline to its licensees but is rapidly being eclipsed by *hirec*. While the *Bulletin* provides a traditional means of communicating with licensees, it is costly to produce and its quarterly publication limits its timeliness. It probably still has the largest audience of the Commission's publications, as it is mailed to all current licensees, government officials, legislators, and equivalent regulatory bodies in other states and countries. The *Bulletin's*

Chart 3. Web Site Hits



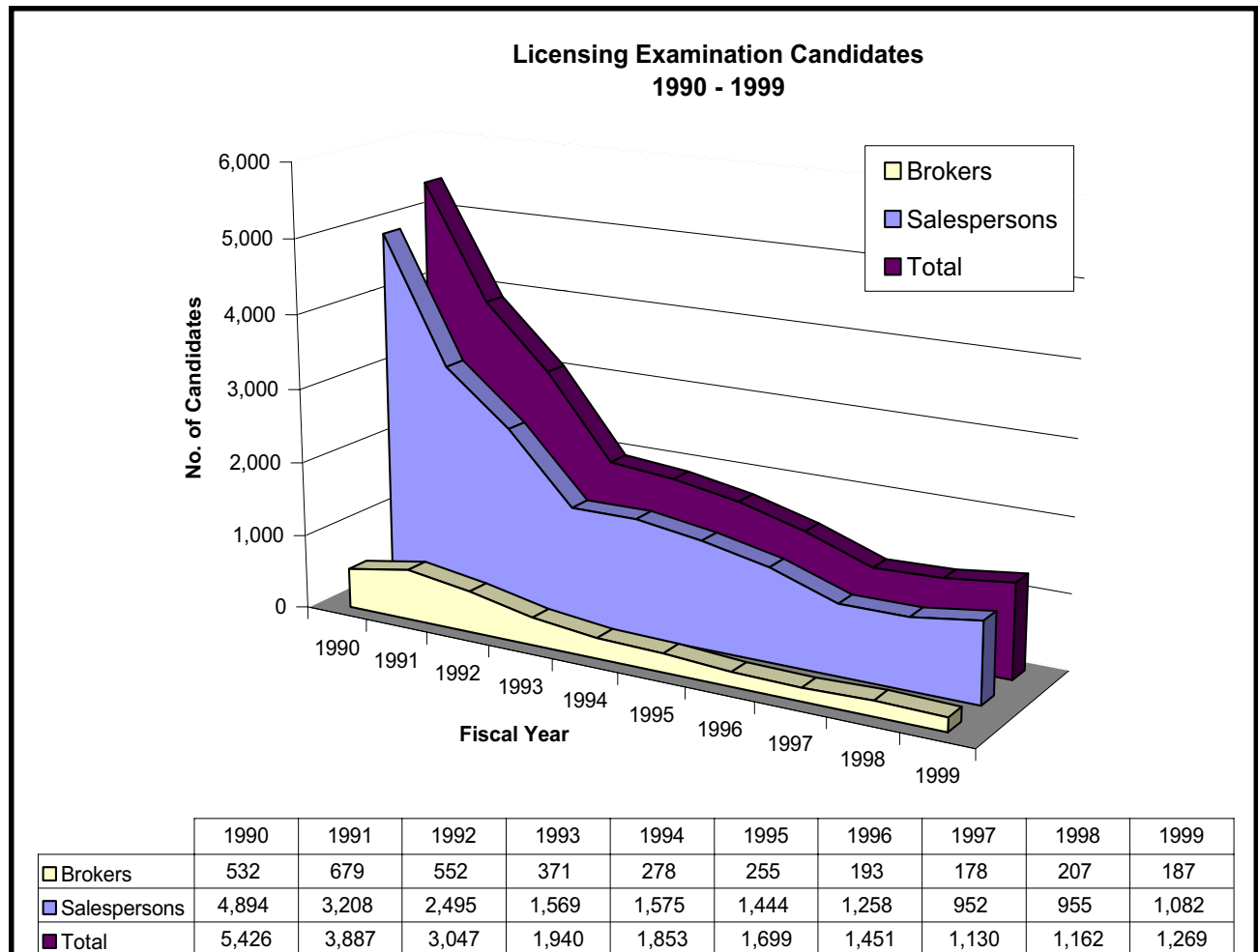
articles cover current issues, the Commission’s activities, and schedules of real estate related educational offerings.

While the *Bulletin’s* content is directed at real estate licensees, the Commission also regulates other specialized sectors in which issues and needs are not covered in the *Bulletin*. To address those sectors, the Commission also publishes the *Hawaii Condominium Bulletin* and *School Files*. *School Files* is published quarterly and distributed to the real estate education community, including prelicense and continuing education schools, providers, and instructors. The *Hawaii Condominium Bulletin*, also a quarterly publication, falls under the Condominium Review Committee’s guidance

and is published specifically for Hawaii’s condominium community.

hirec is designed to reach all of the sectors served by the *Bulletin*, *Hawaii Condominium Bulletin*, and *School Files* but without any of the printing or distribution costs. In addition, *hirec* can be immediately updated and does not have space limitations. Licensees and the public are able to obtain forms, licensing information, brochures, copies of the *Bulletin*, *Hawaii Condominium Bulletin*, or *School Files*, meeting agendas and minutes, lists of certified or registered schools, providers, condominium managing agents, and condominium hotel operators, and schedules of courses and other real estate related events. Since its inception in 1996, *hirec’s* “readership” has grown

Chart 4. Licensing Examination Candidates 1990 - 1999



enormously as shown in Chart 3. It is by far the most cost-effective means available to the Commission of communicating with licensees, other regulated sectors, and the public. The Commission will continue to promote and expand *hirec*, increasing accessibility to publications, forms, and timely information.

Real Estate Licensing Examination

The 1990's began with seven straight years of substantial declines in the number of licensing candidates, and ended with two years of modest increases. 1998's 2.8% increase was followed by a 9.2% increase in 1999. However, the number of candidates tested in 1999 is less than a fourth of the

The passing rate is usually much higher among first time candidates, and in 1999, 58% of first time candidates passed the broker's examination and 82% the salesperson's examination.

Also in 1999, three candidates took and passed the instructor' examination. The examination is required for prelicense instructor applicants, and current instructors must pass the examination every three years as a condition of recertification.

During the year, the Commission completed the lengthy process of issuing a request for proposals (RFP) for examination services and selecting a contractor. Three companies expressed interest in the RFP, but

Table 1. Real Estate Licensing Examination

	FY 1999	FY 1998	Change from 1998	FY 1990	Change from 1990
Candidates Tested					
Broker	187	207	-10%	532	-65%
Salesperson	1,082	955	13%	4,894	-78%
Total Tested	1,269	1,162	9%	5,426	-77%
Candidates Pass					
Broker	87	76	14%	268	-68%
Salesperson	798	670	19%	3,263	-76%
Total Pass	885	746	19%	3,531	-75%
% Pass					
Broker	47%	37%		50%	
Salesperson	74%	70%		67%	

5,426 candidates that were tested in 1990. For a historical perspective, refer to Chart 4.

In 1999, the number of broker candidates declined by 9.7%, while the number of salesperson candidates increased by 13.3%. The passing rates, including repeat candidates, on both salesperson and broker examinations increased. 47% of broker candidates and 74% of salesperson candidates passed the examination. (For a comparison with past years, refer to Table 1).

only two, ASI and NAI-Block, submitted proposals. After an exhaustive review of the proposals, the selection committee's scores for the two submissions were very close with ASI at the top. As a result, ASI was selected as the Commission's contractor for examination services. The new contract increased the fee from \$65 to \$68, but also included additional services to provide the Commission more flexibility and added features in examination administration.

Neighbor Islands Outreach

By law, the Commission is required to hold meetings on the neighbor islands. In the 1999 fiscal year, the Commission convened its committee meetings on Kauai in September 1998 and in Kona in May 1999.

Specialists' Office for the Day

The Commission's staff of real estate and condominium specialists also visits the neighbor islands as part of the Specialists' Office for the Day program. Licensees and other interested parties are invited to face to face discussions of their issues or questions with the specialists. Specialists were in Kona, Kahului, and Lihue in November 1998 to discuss general real estate and condominium questions, and a representative from Licensing Branch also assisted licensees in completing their renewal applications. For the first time, neighbor island licensees were also able to submit their renewal applications at the sessions.

Speaker Program

In November, the Supervising Executive Officer discussed renewals, advertising, the Web page, and answered questions at a Kauai Board of Realtors function. He was also a speaker at a National Association of Residential Property Managers (NARPM) - Big Island Chapter event.

Prelicense and Continuing Education

As all real estate licenses were required to renew their licenses during the 1999 fiscal year, licensees that wanted to renew on active status were required to complete ten hours of continuing education. Most licensees took their CE courses in the second half of 1998. During the year there were 975 continuing education classes with a total enrollment of 19,358. The courses were delivered by 18 CE providers and 28 instructors.

Candidates for the licensing examination complete a prelicense course (45 hours for salespersons and 46 hours for brokers). During the year 960 salesperson and 115 broker candidates completed prelicense courses offered by the 11 prelicense schools and 14 instructors.

Hawaii Real Estate Research and Education Center

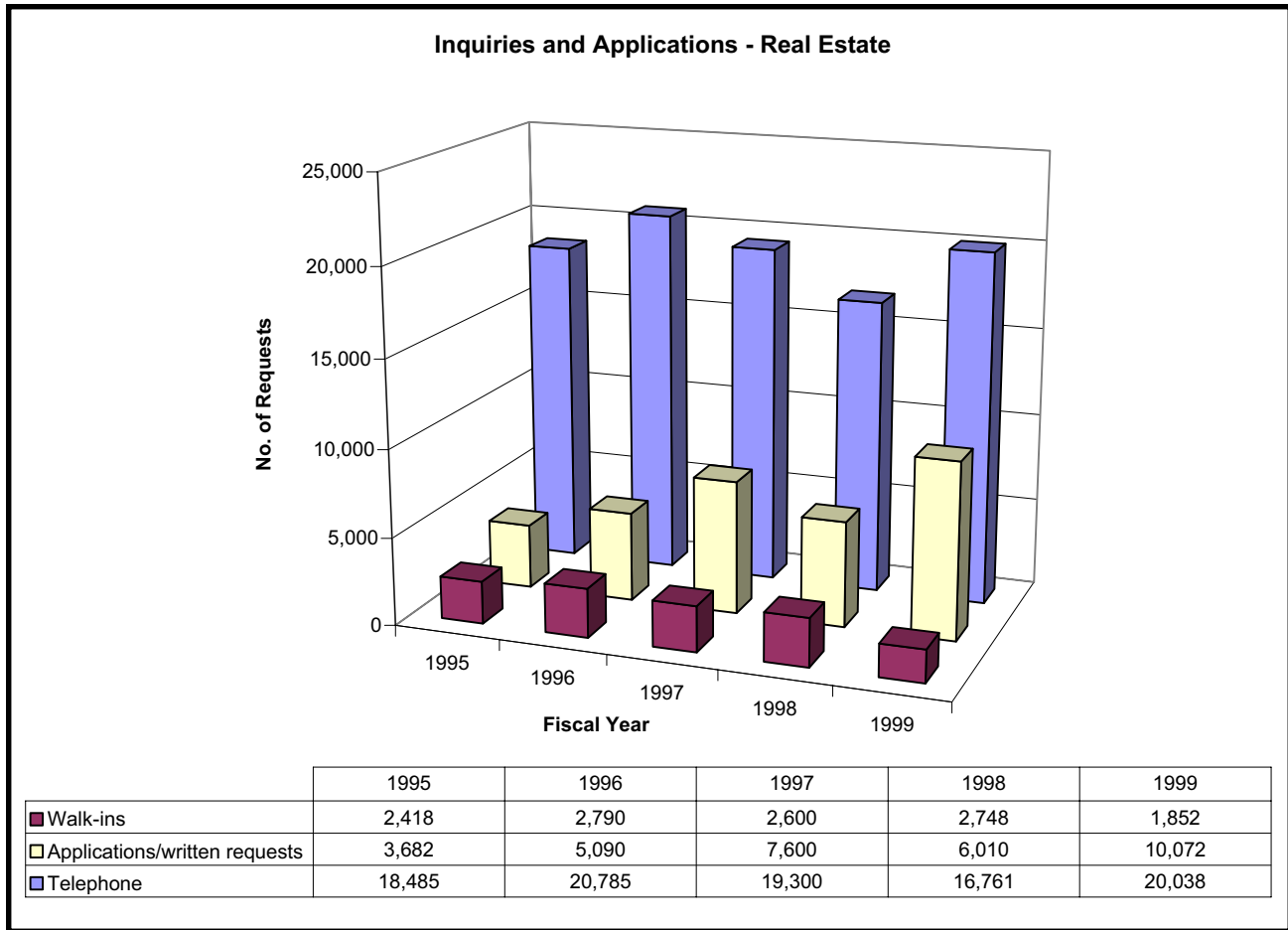
In 1999, the Hawaii Real Estate Research and Education Center at the University of Hawaii at Manoa, funded in part by the real estate education fund, carried out a number of programs for the Commission. The Center continued to administer the Professional Responsibility course for the Commission. The independent study course is one option available to the Commission when assigning courses to licensees who have been subject to disciplinary action. In 1999, two licensees enrolled to take the course. The Center also continued to update its Real Estate Laws and Rules Manual, administer a system to evaluate real estate instructors, and maintain a webpage.

The Commission has supported the Center since 1982 through funding from both the real estate education fund and the condominium education fund. Over the years, the Center, its Advisory Committee, and its able staff have made significant contributions to the Commission, the real estate industry, and to the community. However, for economic reasons, the Commission will not fund the Center beyond the 1999 fiscal year.

Participation with other Organizations

The Commission continued its participation in a number of national and state organizations. Over the years, the Commission has been very active in two national associations, the Association of Real Estate License Law Officials (ARELLO) and the Real Estate Educators Association (REEA). Commissioners and staff have served in leadership roles with ARELLO and

Chart 5. Inquiries and Applications



many of the Commission's programs have received recognition from both organizations. Other national groups that the Commission interacts with include: the Consumer Federation of America, the National Association of Realtors, the National Land Council, and the Federation of Associations of Regulatory Boards.

Commissioners and staff participated in many of the Hawaii Association of Realtors events in 1999, including its 1998 convention on Kauai in October, and its legislation update session in July. The Commission also participates with each island's Board of Realtors, the Hawaii Association of Real Estate Schools, and other trade organizations.

Advice, Education, Referral

One of the major responsibilities of the Commission's staff is to respond to a monumental number of inquiries, requests, and applications from the public and licensees. Chart 5 depicts the volume of real estate inquiries received by the Commission staff.

The staff reviews and processes the following applications:

- Broker experience certificate
- License application for individual broker, corporation, partnership, LLC, sole proprietor, and salesperson

Branch office and site office
 Restoration of license
 Reinstatement of license
 Prelicense education equivalency

Real estate change form
 License history
 Prelicense school and instructor
 Continuing education provider, instructor,
 and course

Certificates of Appreciation

The Commission issues Certificates of Appreciation to individuals who have continuously and unselfishly contributed their time and knowledge to the Commission's programs and to the industry. In appreciation for their dedication, the Commission awarded Certificates of Appreciation to the following individuals:

Helen Lindemann	Outgoing Commissioner
Sharon On Leng	Complaints Enforcement Officer, Regulated Industries Complaints Office (RICO)
Steve Francis	Executive Vice-President, Association of Real Estate License Law Officials (ARELLO)
Linda Newman	Administrative Assistant, Association of Real Estate License Law Officials (ARELLO)

Condominium Review Committee

Chair Alfredo Evangelista and Vice Chair Mitchell Imanaka directed the Condominium Review Committee's 1999 fiscal year program of work.

The Condominium Review Committee (CRC) is a Commission standing committee that holds monthly public meetings in which condominium issues are presented, discussed, examined, and considered. This is a working committee that handles "nuts and bolts" issues. Developers, apartment owners, board of directors, condominium managing agents, attorneys, educators, researchers, government officials, and others with condominium concerns participate at the meetings.

The responsibilities of the CRC include: registration of condominium projects by developers; condominium association (AOAO), condominium managing agent (CMA), and condominium hotel operator (CHO) registrations, governance, education and research programs, inclusive of the programs funded under the Condominium Education Fund (CEF). In past fiscal years, some of the educational programs were administered with the assistance of the Hawaii Real Estate Research and Education Center (HREREC) with funds from CEF. Due to the overall budgetary considerations, at the end of FY 1999, the Commission terminated its contract with the HREREC.

This fiscal year, with the millennium approaching, the CRC, without compromising consumer protection measures, increased its efforts to: minimize government involvement in those condominium governance areas legislatively intended for self governance; and streamline the registration of

condominium projects, AOAOs, CMAs and CHOs.

To broaden its programs in the area of condominium education, the CRC engaged in the development of working relationships with organizations involved in condominium association education. Thus, this fiscal year, funds from the CEF were used to subsidize a portion of the seminar registration fees of condominium apartment owners from registered AOAOs. The subsidy was provided only for qualified seminars approved by the Commission. In addition, the CRC continued the implementation of its ongoing programs.

The enactment of new laws at the end of the fiscal year impacted the CRC's Advice, Education, and Referral program of work item. Condominium board members, apartment owners, CMAs and interested others inquired about the following new laws: the collection of delinquencies for common expenses; additional statutory options for investment of association of apartment owner's funds; voluntary condominium lease fee conversions; conditions for allowing child care homes in condominiums; and other related legislation.

The law requires the Commission to submit to the legislature annually: (1) a summary of the programs funded during the prior fiscal year with funds from the CEF, (2) the amount of money in the fund, and (3) a copy of the budget for the current fiscal year, including summary information on programs which were funded or are to be funded. This portion of the report includes a summary of the CEF programs that have been funded for the prior fiscal year (1999) and the current fiscal year (2000).

Condominium Apartment Owners on the Commission

The following members of the Real Estate Commission are condominium apartment owner/occupants:

Alfredo G. Evangelista, Chair of the Condominium Review Committee

Iris R. Okawa

Patricia Choi

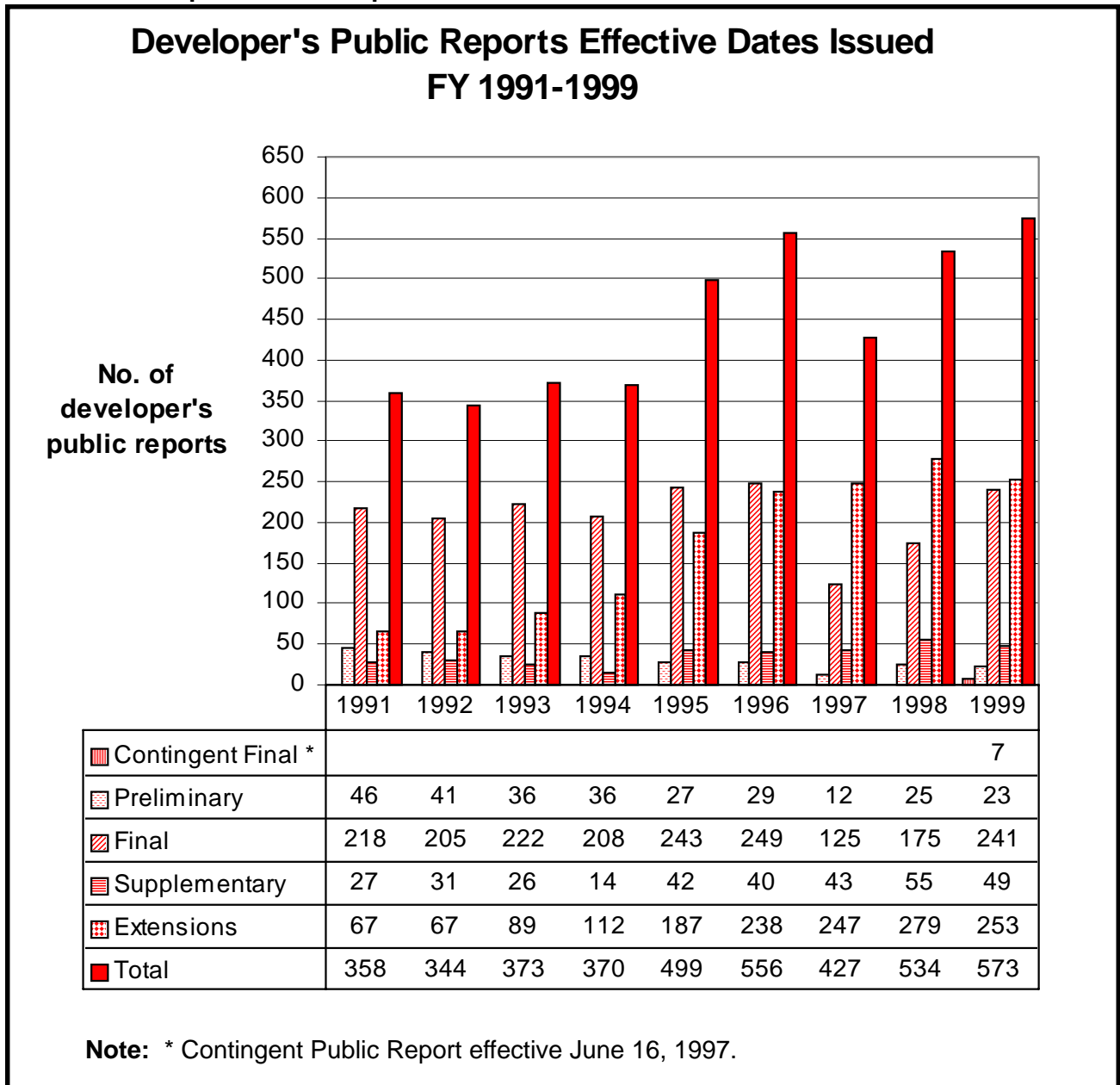
Commissioner **Michael G. Ching** is a condominium apartment owner.

Summary of Programs For Fiscal Year 1999:

Hawaii Condominium Bulletin -

Develop, write, edit, print and distribute a quarterly bulletin to all registered AOA's and registered CMAs. Study feasibility of providing the bulletin through electronic medium. Publish the *Bulletin* on its Website at <http://www.state.hi.us/hirec>.

Chart 6. Developer's Public Reports Effective Dates Issued



HREREC Interactive Program - Co-participate with Commission at neighbor island meetings.

Condominium Hotline - Administer in tandem with the real estate hotline the delivery system of condominium information for the neighbor island community utilizing the WATTS line.

HREREC Webpage - Maintain and improve a webpage. Coordinate the transfer of HREREC webpage to Commission's webpage.

HREREC Administration - Plan and implement transfer to Commission

remaining programs, education/research materials, reference materials, records, equipment, computers, etc. on or before June 1999.

Rule-Making - Chapter 107 - Study and evaluate Chapter 107 and HRS Chapter 514A, for rule-making, consider deregulation without reducing consumer protection. Develop drafts of propose rules, review/comment by focus groups and other interested parties.

Rule-Making - Chapter 53, Fees - Monitor and review services provided in relation to fees. Develop drafts of propose rules, assist in formal rule making process with Licensing Administrator.

Table 2. Condominium Project Filings

Condominium Project Filings Received -- Fiscal Years 1995 -- 1999					
New Projects	1995*	1996*	1997*	1998	1999
Residential No. of Apartments Represented	66 2456	42 1519	40 1378	84 862	47 1028
Commercial and Other No. of Apartments Represented	25 152	16 78	25 175	5 198	11 81
Agricultural No. of Apartments Represented	18 57	27 57	27 104	28 83	27 62
Total New Projects Total No. of Apartments Represented	109 2781	85 1654	92 1647	117 1143	85 1171
Conversions					
Residential No. of Apartments Represented	119 1106	74 386	66 981	54 665	73 368
Commercial and Other No. of Apartments Represented	9 713	8 68	6 56	4 87	11 734
Agricultural No. of Apartments Represented	9 36	21 53	37 187	51 130	42 90
Total Conversion Project Total No. of Apartments Represented	137 1856	103 496	109 1118	109 882	126 1192
Combined New & Converted Project Filings Combined No. of Apartments Represented	246 4637	188 2150	201 2765	226 2025	211 2363

* Note 1: Numbers and totals may differ from those reported in prior annual reports due in part to the change in the database management software.
 Note 2: In mixed use condominium projects, the predominant use is reported. This is done to prevent the multiple counting of a project filing.

Condominium Project and Developer's Public Reports - Administer registration program. Evaluate the process, records, forms, information documents, rules; coordinate with other governmental agencies, attorneys, etc., to ensure more expeditious processing and review time. Plan, develop, and administer any legislative amendments needed. Administer consultant contracts. Study feasibility of finding other means of providing access to developer's public reports. Consider feasibility of including in Commission's webpage a listing of projects with current developer's public reports. See Charts 6, Table 2, and Charts 7 and 8.

Condominium Association Registration - Administer registration program. Review and monitor program for improvement including computer generated

registration forms with previous responses, public list of all registered AOA's. Plan, develop, and administer any legislative amendments. This year marked the second time AOA's registered for a biennium period. See Chart 9.

Condominium Managing Agent Registration - Administer registration program. Review and monitor program for improvement and problem resolutions with Licensing Branch. List all registered CMAs in Commission's webpage and make available preprinted lists upon request. See Chart 10.

Condominium Hotel Operator Registration - Administer registration program. Review and monitor program for improvement and problem resolutions with Licensing Branch. List all registered CHOs

Chart 7. Number of Condominium Apartments

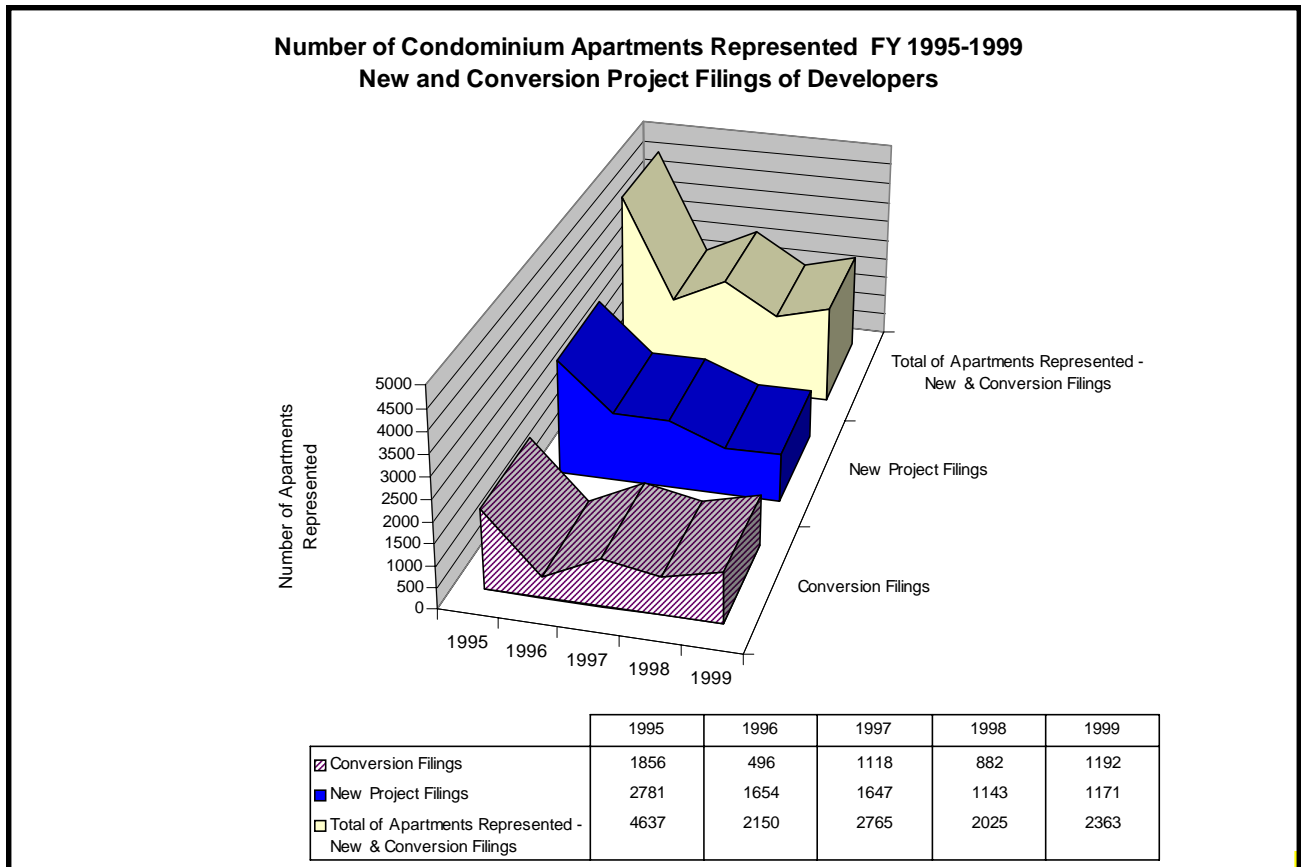


Chart 8. New Residential Projects - By Project Size

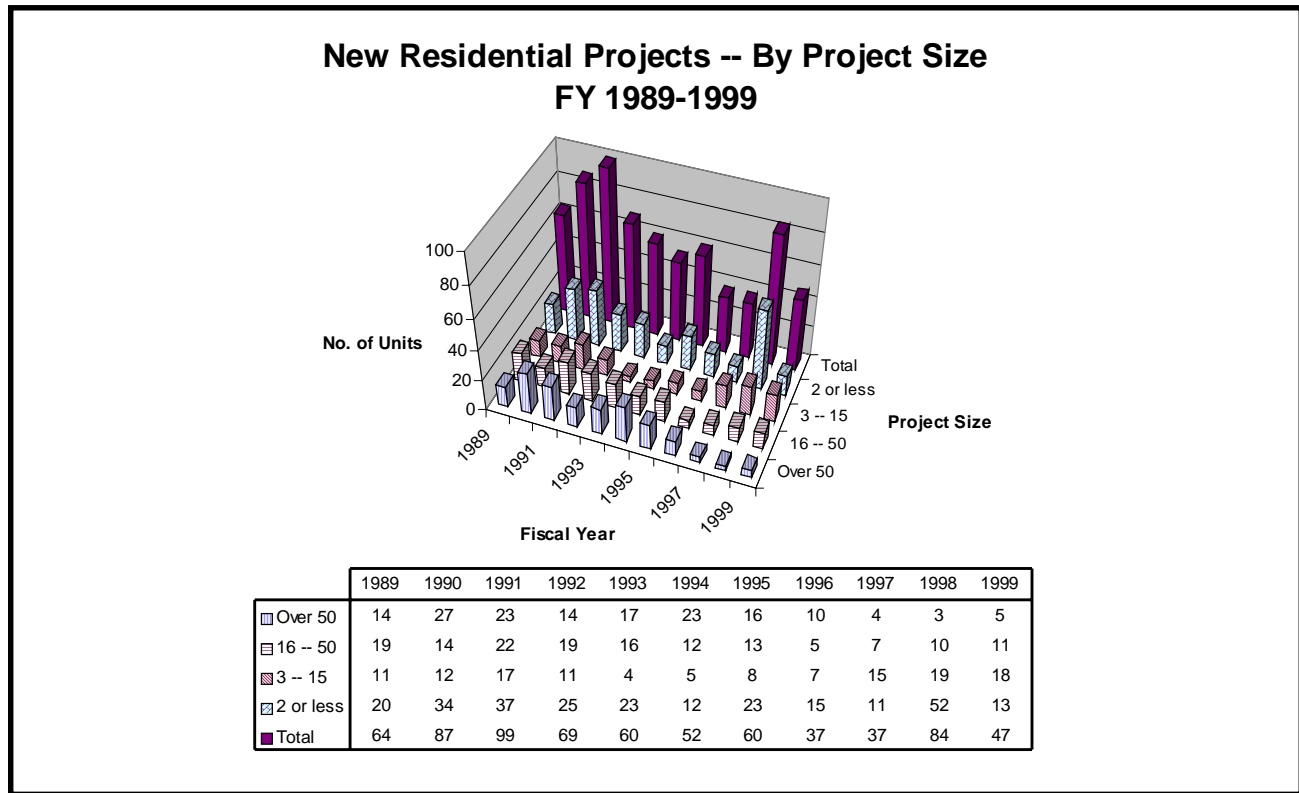
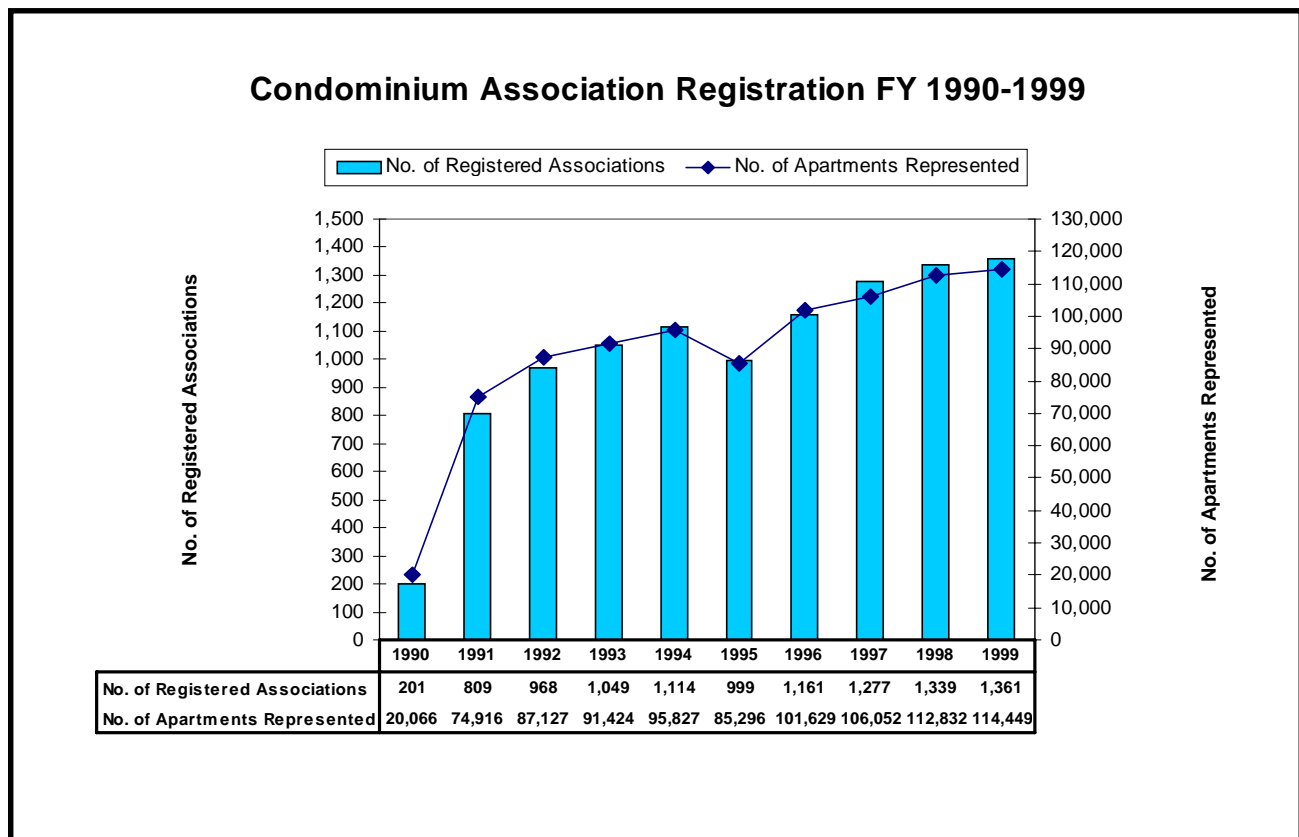


Chart 9. Condominium Association Registration



in Commission’s webpage and make available preprinted lists upon request. Study and determine sources to locate unregistered CHOs, and initiate initial compliance through education. Develop and distribute startup kits for CHOs, similar to CMAs. See Chart 10.

Recodification of Chapter 514A - Initiate the plan for recodification based on the 1995 Commission’s report to the Legislature, “A Plan to Recodify Chapter 514A, Hawaii Revised Statutes, Condominium Property Regime;” include recommended legislation, budget, and coordination of a special Commission task force.

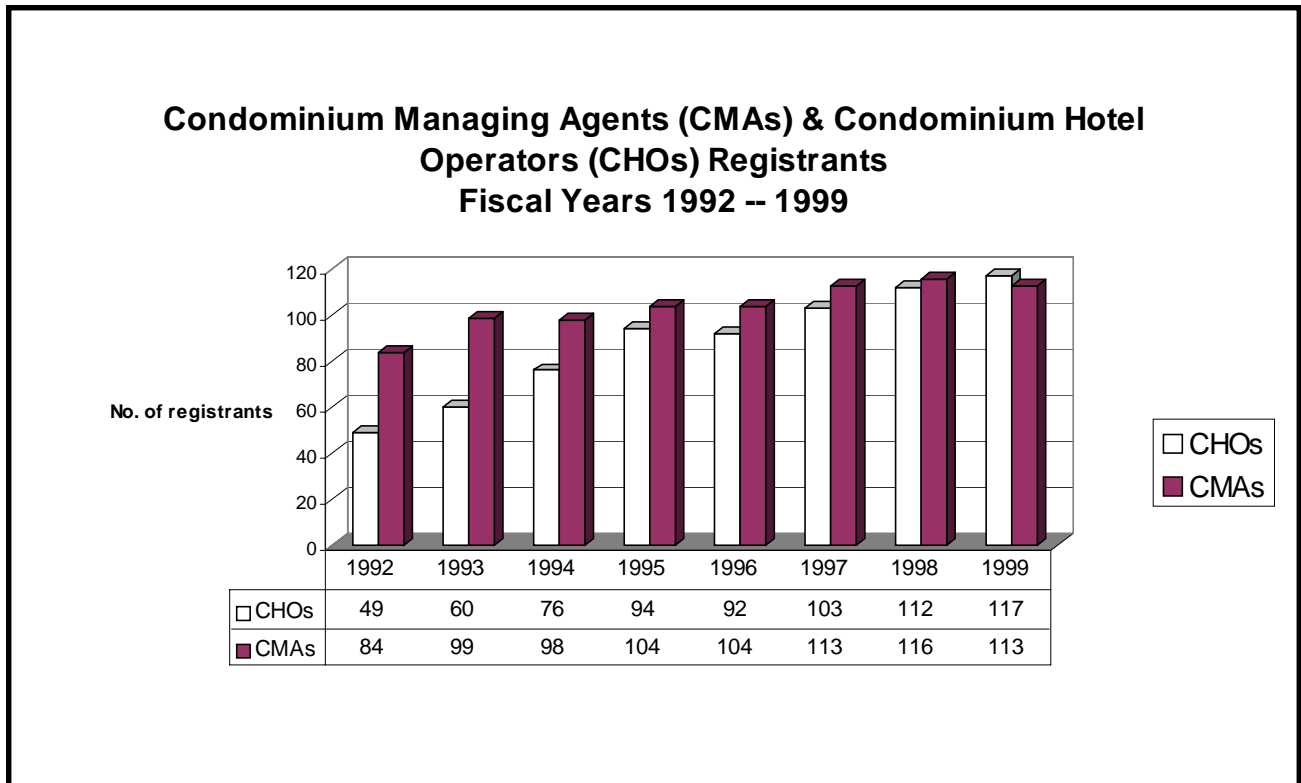
Condominium Education Fund (CEF) - Administer fund. Prepare, maintain, and review of budget, finance, and records for the CEF. Prepare monthly and annual financial statements, budgets, administer

fund investment. Plan and work with department to increase budget for FY00 for additional educational programs. Defer audit, review, and study the feasibility of less costly alternative to a biennial audit. See page 34.

Advice, Education, and Referral - Provide advice, education, and referrals to the condominium community, applicants, consumers, licensees, government officials, organizations, and the public. Print and distribute copy of HRS Chapter 514A to all registered AOAOs and CMAs. Study and report on the feasibility of providing information and advice on telephonic prerecorded messages. Maintain and improve webpage. See Chart 11.

Condominium Mediation and Arbitration Program - Administer mediation programs. Research, develop, and publish a brochure

Chart 10. CMA and CHO Registrations



on dispute resolution, mediation, and arbitration including “trial de novo.” Coordinate joint complaint/mediation program with RICO. Study feasibility of initiating program in other neighbor islands. Continue condominium governance mediation arrangements with providers. See Chart 12.

Meetings and Symposium - Plan, coordinate, and conduct monthly CRC meetings. Include schedule of meetings and agendas on Commission’s webpage.

Legislative Acts and Resolutions - Review and carry out responsibilities of Legislative acts and resolutions, amend public copy of HRS Chapter 514A, provide summary of condominium and related acts and resolution for Commission/staff/ bulletin, etc.

Government and Legislative Participation and Report - Research, develop and distribute annual report to the Legislature on CEF programs and funds; consider inclusion on the Commission’s webpage. Provide briefings to Legislators and staff; act as a resource. Attend hearings, provide written and oral testimony on legislative bills, and bill tracking. Respond to elected officials, inquiries or complaints, request for information, etc.

Neighbor Island Outreach - Coordinate and conduct two CRC meetings at neighbor island sites with ERC and LRRC. This fiscal year the CRC convened meetings on Kauai in September 1998 and in Kona in May 1999.

Interactive Participation with Organizations - Active participation with Hawaii, Pacific Rim, national and international organizations and government agencies for the exchange of information and concerns, sharing of education and research efforts, joint projects of mutual

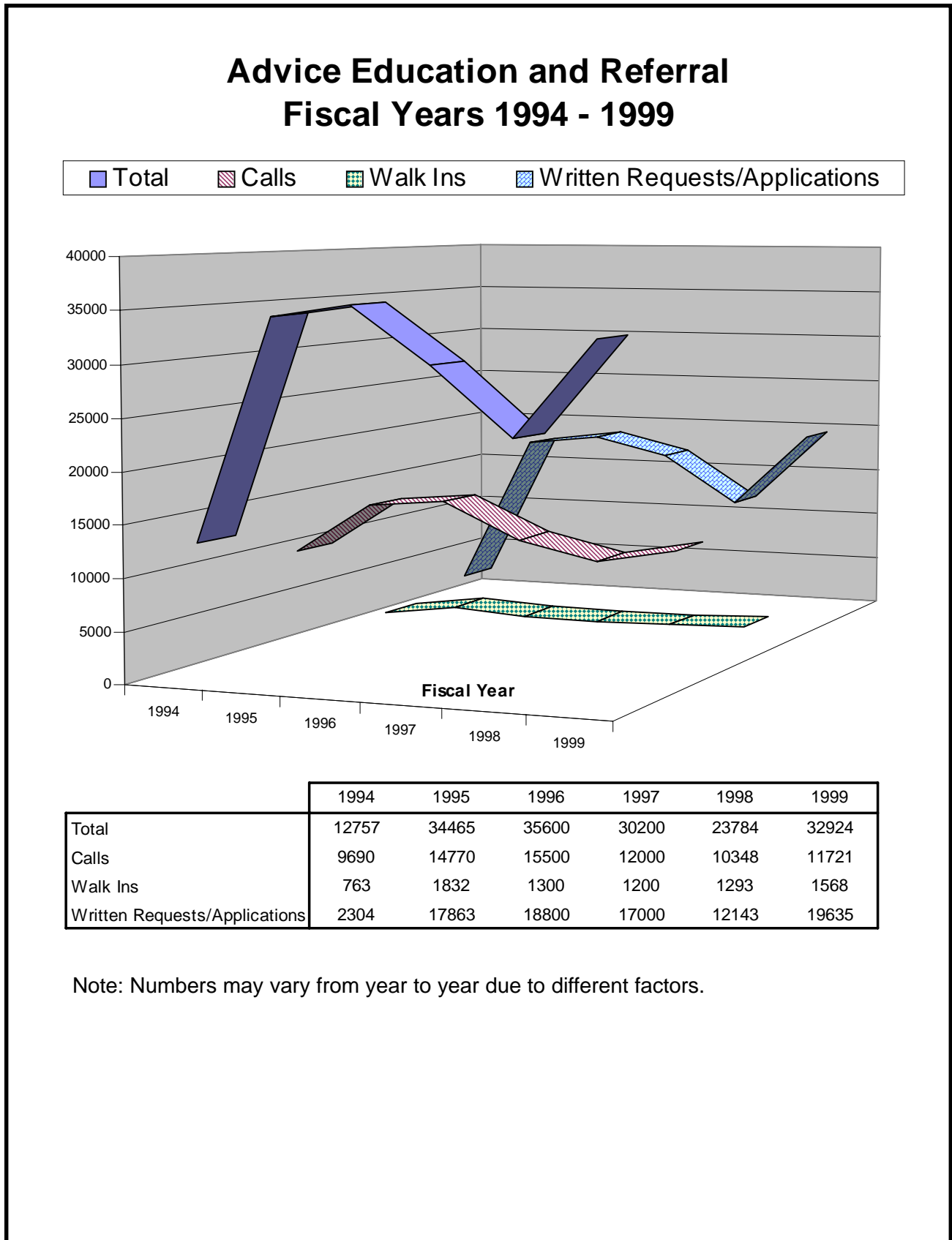
concern, training, etc. through attendance, membership and participation at local, regional, national, and international meetings, including CAI, CAI Hawaii, HCAAO, HICCO, South Maui Council, IREM, ARELLO, Hawaii State Bar, and Zenkauren (Japan).

Condominium Seminars - Use existing educational resources, subsidize, sponsor, assist, or cosponsor statewide seminars and other educational offerings targeted for apartment owners and board members of registered AOAOs, registered CMAs and other interested parties. Broaden condominium educational offerings; develop working relationships with organizations involved in condominium education. After approaching various educators, the Commission contracted with CAI Hawaii to form a partnership in providing education to board of directors and apartment owners of registered AOAOs through CEF funding. Approximately fifty-one percent of those attending the first inaugural seminar, “Almost Free Legal Advice,” were apartment owners of registered AOAOs. This inaugural group of apartment owners was able to ask a panel of practicing condominium lawyers advice and information about condominium issues and concerns. At the close of the fiscal year, CAI Hawaii had finalized its plans to submit for Commission approval a number of seminars for the next fiscal year.

Condominium Association Budget and Reserves - Review existing Commission materials, make amendments and distribute where applicable; monitor and report on IRS position on budget and reserves.

Condominium Specialists Office for the Day - Set up office at various neighbor island locations to meet and discuss condominium concerns. Joint program with

Chart 11. Advice Education and Referral



Real Estate Specialist of the Day. This year, the Office for the Day was held in Hilo and Kona, Hawaii; Kahului, Maui; and Lihue, Kauai.

Condominium Speakership Program - Honor requests for speaking engagements for some type of program concerning or related to condominium issues.

New Technology Program - Administer in-house and network computer system; including training, purchases, and DCCA and PVL D plans. Study feasibility of new technology in the storage, printing of developer's public reports, registration and public information.

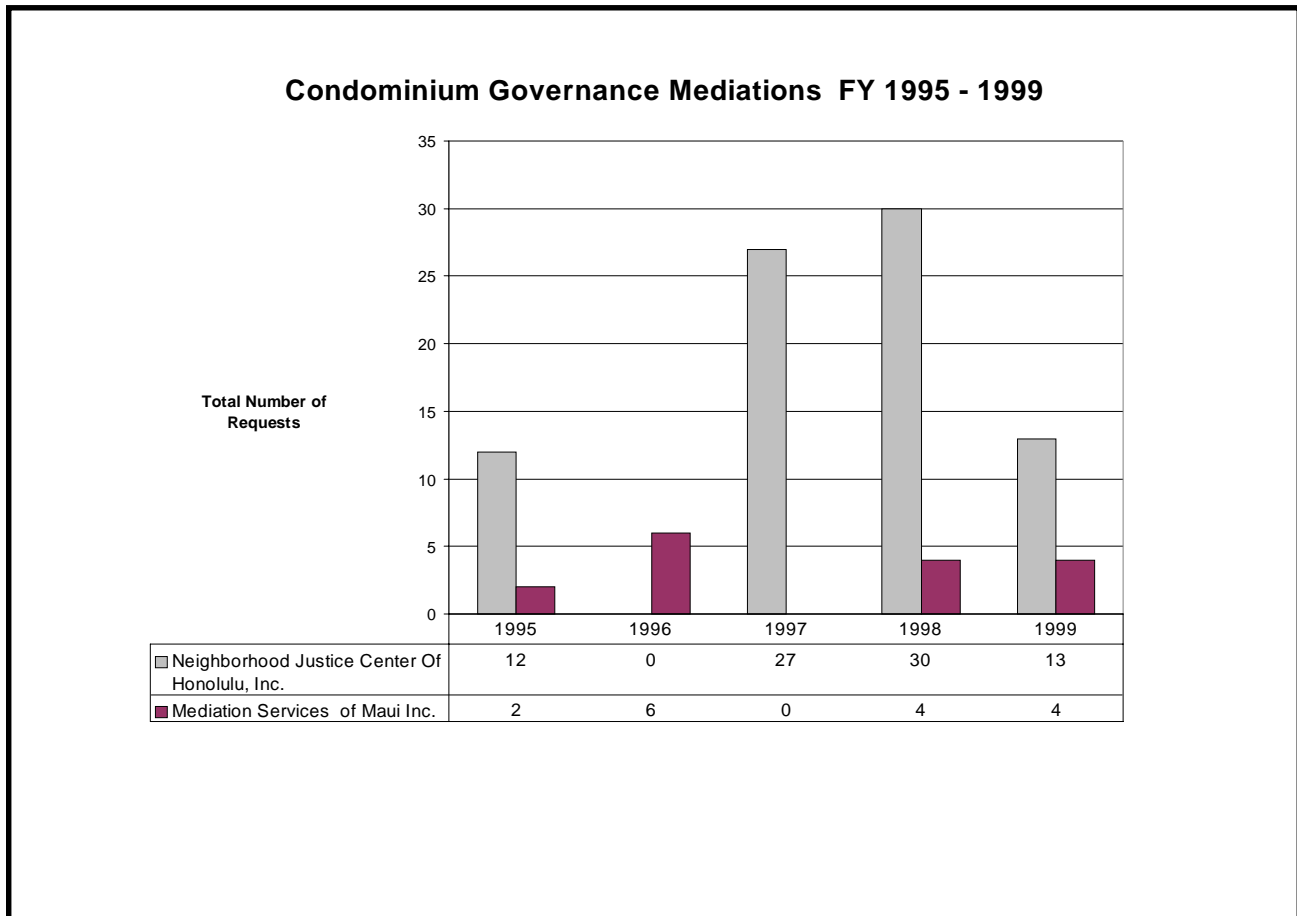
Condominium Reference Library - Develop in Commission webpage a catalog

of all public reference materials provided to State Libraries and at the Real Estate Branch (REB) office. Develop and maintain materials for a condominium reference library at public libraries, REB office, mediation services offices and neighbor islands.

Start-up Kit for New AOA's and New CMAs - Distribute start-up kit to new registered AOA's and CMAs including public copy of HRS Chapter 514A, and rules, budget and reserves guide, board of directors guides, past condominium bulletins.

Cooperative Education, Research, and Administrative Program - Participate in and sponsor cooperative education research and administrative programs.

Chart 12. Condominium Governance Mediations



Division and Department Program -

Coordinate activities and programs of mutual concern with the PVLD, RICO and the DCCA; including Director's project on deregulation; review, analyze, and coordinate positions on HRS Chapter 436B with PVLD and AG's as it relates to HRS Chapter 514A. Coordinate joint complaint / mediation program with RICO.

Records Management - Administer and organize all records, reference materials, reports, minutes, legislation, rules, AG opinions, contracts, etc., with applicable laws including the Uniform Information Practices Act and Records Report System.

CPR Project Workshop and Meetings -

Conduct periodic workshops for condominium consultants for purposes of orientation and information.

Case Law Review Program - Monitor, collect, and report on judgments and decisions on Hawaii, federal, and other states' court cases; report on governance and development cases; material cases to be considered for Condominium Bulletin.

Limited Equity Cooperatives - Develop forms, procedures and process for Limited Equity Cooperatives, HRS Chapter 421H, falling within the limited responsibility of the Commission.

Staff and Commissioners Development - Develop and train REB staff and Commissioners. Participate in training provided by CAI, ARELLO, REEA, CLEAR and other organizations.

HREREC Termination Transition - Work and plan with HREREC the transition of the terminated contract as of June 1999.

Summary of Programs For Fiscal Year 2000:

Hawaii Condominium Bulletin - Develop, write, edit, print and distribute a quarterly bulletin to all registered AOAOs and registered CMAs and provide on Commission's website. Study feasibility of providing the bulletin through electronic medium; including electronic distribution prior to hard copy distribution.

Post HREREC Contract Termination Administration - Administer with HREREC the transition of the terminated contract as of June 1999.

Rule-Making - Chapter 107 - Study and evaluate Chapter 107 and HRS Chapter 514A, for rule making, consider deregulation without reducing consumer protection. Administer formal rule making process. Research and update new project registration, AOAO registration, and CMA registration.

Rule-Making - Chapter 53, Fees - Monitor and review services provided in relation to fees. Develop drafts of propose rules, assist in formal rule making process with Licensing Administrator.

Condominium Project and Developer's Public Reports - Administer registration program. Evaluate the process, records, forms, information documents, rules; coordinate with other governmental agencies, attorneys, etc., to ensure more expeditious processing and review time. Plan, develop and administer any legislative amendments needed. Administer consultant contracts. Study feasibility of finding other means of providing access to developer's public reports. Consider feasibility of including in Commission's webpage a listing of projects with current developer's public reports. Determine feasibility of electronic administration

including scanning of document on CDs and computerize tracking.

Condominium Association

Registration - Administer registration program. Review and monitor program for improvement including computer generated registration and reregistration forms with previous responses. Develop a public list of all registered AOAOs for distribution and inclusion in Commission's webpage.

Condominium Managing Agent

Registration - Administer registration program. Review and monitor program for improvement and problem resolutions with Licensing Branch. List all registered CMAs in Commission's webpage and make preprinted lists available upon request.

Condominium Hotel Operator

Registration - Administer registration program. Review and monitor program for improvement and problem resolutions with Licensing Branch. List all registered CHOs in Commission's webpage and make preprinted lists available upon request. Study and determine sources to locate unregistered CHOs, and initiate initial compliance through education. Develop and distribute startup kits for CHOs, similar to CMAs.

Recodification of HRS Chapter 514A

- Initiate the plan for recodification based on the 1995 Commission's report to the Legislature, "A Plan to Recodify Chapter 514A, Hawaii Revised Statutes, Condominium Property Regime;" include recommended legislation, budget, and coordination of a special Commission task force.

Condominium Education Fund (CEF)

- Administer fund. Prepare, maintain, and review of budget, finance, and records for the CEF. Prepare monthly and annual financial statements, budget, administer

fund investment. Plan and work with department to increase budget for FY01 for additional educational programs subject to revenue projections. See page 34.

Advice, Education, and Referral - Provide advice, education, and referrals to the condominium community, applicants, consumers, licensees, government officials, organizations, and the public. Print and distribute copy of HRS Chapter 514A to all registered AOAOs and CMAs. Study and report on the feasibility of providing information and advice on telephonic prerecorded messages. Maintain and improve webpage.

Condominium Mediation and Arbitration Program

- Administer mediation programs. Research, develop, and publish a brochure on dispute resolution, mediation, and arbitration including "trial de novo." Coordinate joint complaint/mediation program with RICO. Study feasibility of initiating program in other neighbor islands. Continue condominium governance mediation arrangements with providers.

Meetings and Symposium - Plan, coordinate, and conduct monthly CRC meetings. Include schedule of meetings and agendas on Commission webpage.

Legislative Acts and Resolutions

- Review and carry out responsibilities of Legislative acts and resolutions, amend public copy of HRS Chapter 514A, provide summary of condominium and related acts and resolution for Commission/staff/bulletin, etc.

Government and Legislative

Participation and Report - Research, develop and distribute annual report to the Legislature on CEF programs and funds; consider inclusion on the Commission's webpage. Provide briefings to Legislators and staff; act as a resource. Attend

hearings, provide written and oral testimony on legislative bills, and bill tracking. Respond to elected officials, inquiries or complaints, request for information, etc.

Neighbor Island Outreach - Coordinate and conduct two CRC meetings at neighbor island sites with ERC and LRRC. This fiscal year the CRC meetings are scheduled for the islands of Maui and Kauai. Study holding meetings in collaboration with local boards, HAR, condominium organizations, etc.

Interactive Participation with Organizations - Active participation with Hawaii, Pacific Rim, national and international organizations and government agencies for the exchange of information and concerns, sharing of education and research efforts, joint projects of mutual concern, training, etc. through attendance, membership and participation at local, regional, national, and international meetings, including CAI, CAI Hawaii, HCAAO, HICCO, Condominium Council of Maui, IREM, ARELLO, Hawaii State Bar, and Zenkauren (Japan).

Condominium Seminars - Produce seminars for the condominium community through contracts with various providers that provide for registration fee subsidies for apartment owners of registered AOAOs; encourage new providers. Continue to administer CEF subsidies for Commission approved seminars including the following: "Minimize Your losses... Collections, Foreclosures and Bankruptcy;" "Hidden Treasures in your Annual Budget;" and "Anatomy of a Board Meeting."

Condominium Specialists Office for the Day - Set up office at various neighbor island locations to meet and discuss condominium concerns. Consider and collaborate arrangements in conjunction with a function of a condominium

organization and or at a condominium organization office.

Condominium Speakership Program - Honor requests for speaking engagements for some type of program concerning or related to condominium issues.

New Technology Program - Administer in-house and network computer system; including training, purchases, and DCCA and PVLD plans. Study feasibility of new technology in the storage, printing of developer's public reports, registration and public information. Administer Commission's webpage with long range plan of including all condominium information, forms, database, etc. plus online registration.

Condominium Reference Library - Develop in Commission webpage a catalog of all public reference materials provided to State Libraries and at REB office. Develop and maintain materials for a condominium reference library at public libraries, REB office, mediation services offices and neighbor islands.

Start-up Kit for New AOAOs and New CMAs - Distribute start-up kit to new registered AOAOs, CMAs, and include the CHOs; including public copy of HRS Chapter 514A, and rules, budget and reserves guide, board of directors guide, past condominium bulletins.

Cooperative Education, Research, and Administrative Program - Participate in and sponsor cooperative education research and administrative programs.

Division and Department Program - Coordinate activities and programs of mutual concern with the PVLD, RICO and the DCCA; including Director's project on deregulation; review, analyze, and coordinate positions on HRS Chapter 436B

with PVLD and AG's as it relates to HRS Chapter 514A. Coordinate joint complaint/mediation program with RICO.

Records Management - Administer and organize all records, reference materials, reports, minutes, legislation, rules, AG opinions, contracts, etc. with applicable laws including the Uniform Information Practices Act and Records Report System. Research options or alternative for records storage and public information.

CPR Project Workshop and Meetings - Conduct periodic workshops for condominium consultants for purposes of orientation and information.

Case Law Review Program - Monitor, collect and report on judgments and decisions on Hawaii, federal, and other states' court cases; report on governance and development cases; material cases to be considered for Condominium Bulletin.

Limited Equity Cooperatives - Develop forms, procedures and process for Limited Equity Cooperatives, HRS Chapter 421H, falling within the limited responsibility of the Commission.

Staff and Commissioners Development - Develop and train REB staff and Commissioners. Participate in training provided by CAI, ARELLO, REEA, CLEAR and other organizations.

Licenses

For the first time since 1990, the number of new licenses issued increased. Overall, new licenses issued increased 21% with new individual broker licenses increasing 39%, broker corporation, partnership, LLC licenses issued increasing 32%, and salesperson licenses issued increasing 18%. See Table 3.

Typically, in a renewal year, the number of licensees declines. In fiscal year 1999, a renewal year, the number of licensees was 15% fewer than in 1998. See Chart 13 for a historical perspective on the number of licensees.

Table 3. Current Real Estate Licensees

Current Real Estate Licensees (August 1999) by License Type and Island								
	Oahu	Hawaii	Maui	Kauai	Molokai	Lanai	Other	Total
Active								
Broker	1,556	295	305	133	6	1	-	2,296
Salesperson	2,673	561	757	349	15	4	-	4,359
Sole Proprietor	849	128	96	39	4	0	-	1,116
Corporation, Partnership, LLC	697	115	143	58	4	1	-	1,018
Total Active	5,775	1,099	1,301	579	29	6		8,789
Inactive								
Broker	366	66	34	19	1	0	109	595
Salesperson	2,292	381	360	202	3	2	349	3,589
Corporation, Partnership, LLC	36	7	11	3	0	1	2	60
Total Inactive	2,694	454	405	224	4	3	460	4,244
Active and Inactive								
Broker	1,922	361	339	152	7	1	109	2,891
Salesperson	4,965	942	1,117	551	18	6	349	7,948
Sole Proprietor	849	128	96	39	4	0	-	1,116
Corporation, Partnership, LLC	733	122	154	61	4	2	2	1,078
Total	8,469	1,553	1,706	803	33	9	460	13,033

Chart 13. New Real Estate Licenses Issued

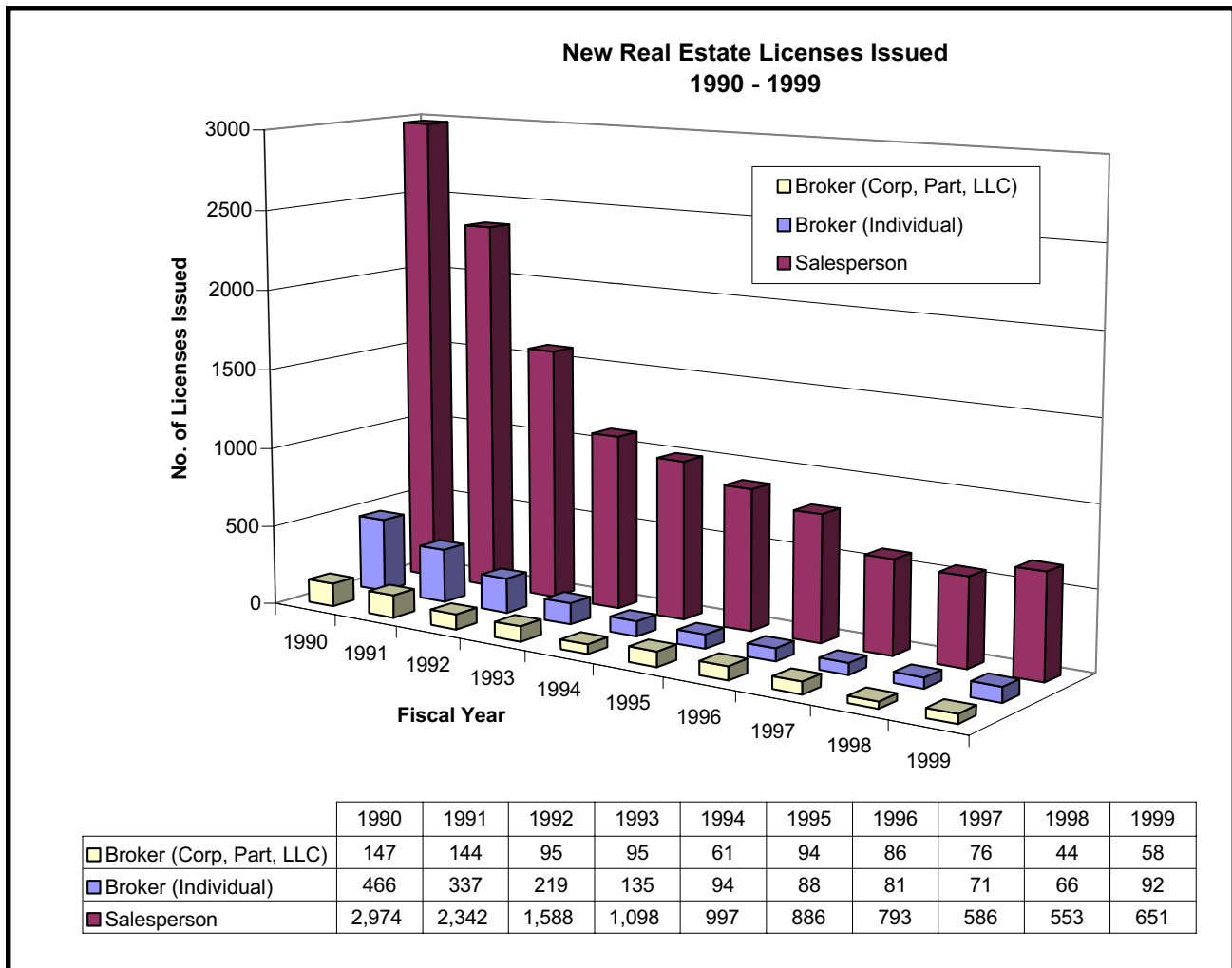
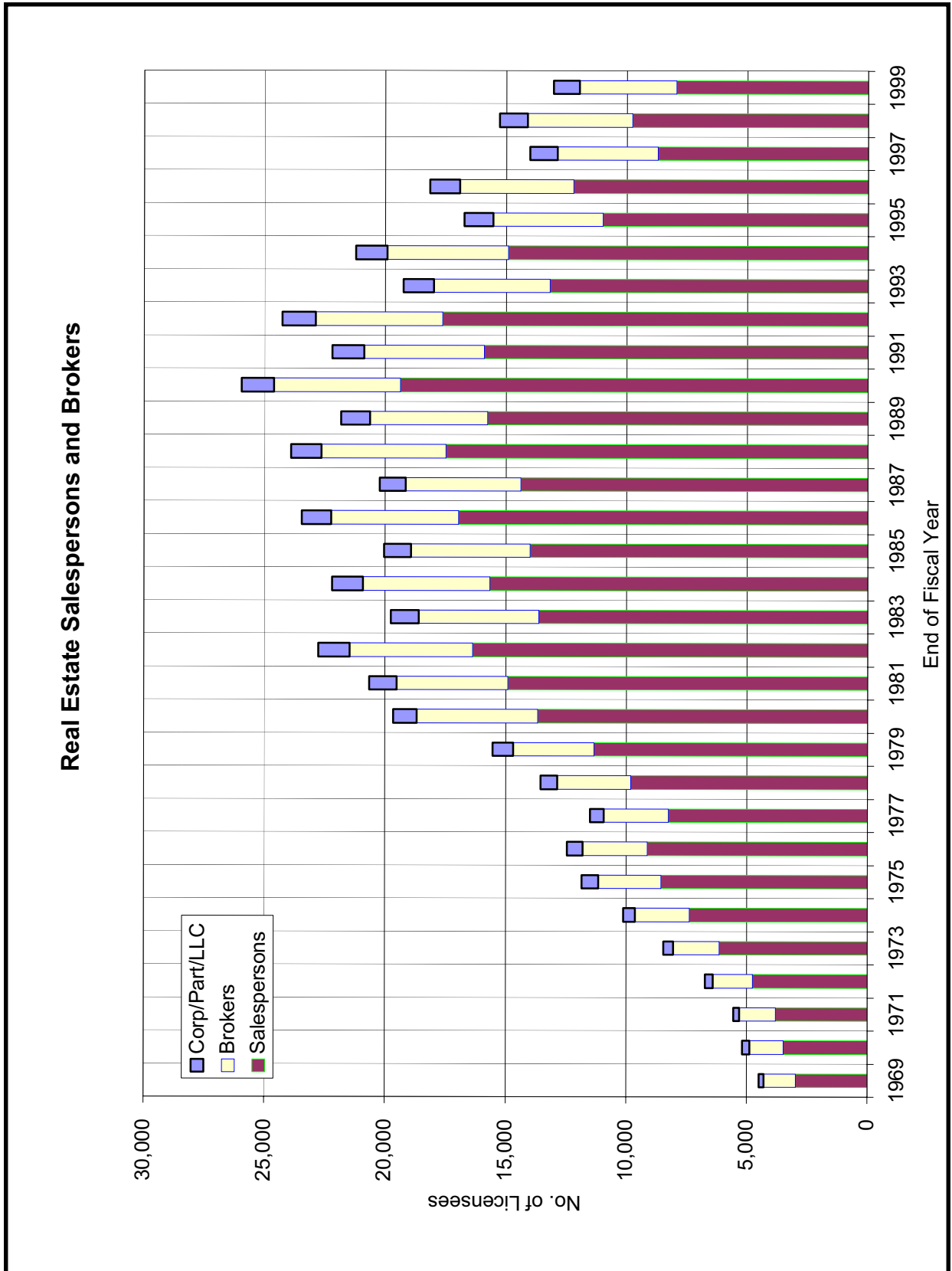


Table 4. New Real Estate Licenses Issued

New Real Estate Licenses Issued					
	FY	FY	% Change	FY	% Change
License Type	1999	1998	from 1998	1990	from 1990
Broker (individual)	92	66	39%	613	-85%
Broker (Corp, Part, LLC)	58	44	32%	147	-61%
Salesperson	651	553	18%	2,974	-78%
Total	801	663	21%	3,734	-79%

Chart 14. Real Estate Salespersons and Brokers



Licenses

Administrative Actions

The Commission took disciplinary action against 27 licensees in 1999. This was a 36% decline from fiscal year 1998. Fines totaling \$151,497 were assessed against 19 licensees, 8 licenses were revoked, 2 licensees were suspended for six months each, and other sanctions were ordered against 3 licensees. Of the 25 disciplined licensees, 6 were ordered to pay restitution totaling \$12,346. Table 5 summarizes the administrative actions and shows the types of activities involved in the disciplinary cases.

In addition, four licenses were suspended due to noncompliance with the Child Support Enforcement Agency's order of support or failure to comply with a subpoena or warrant relating to paternity or child support proceedings.

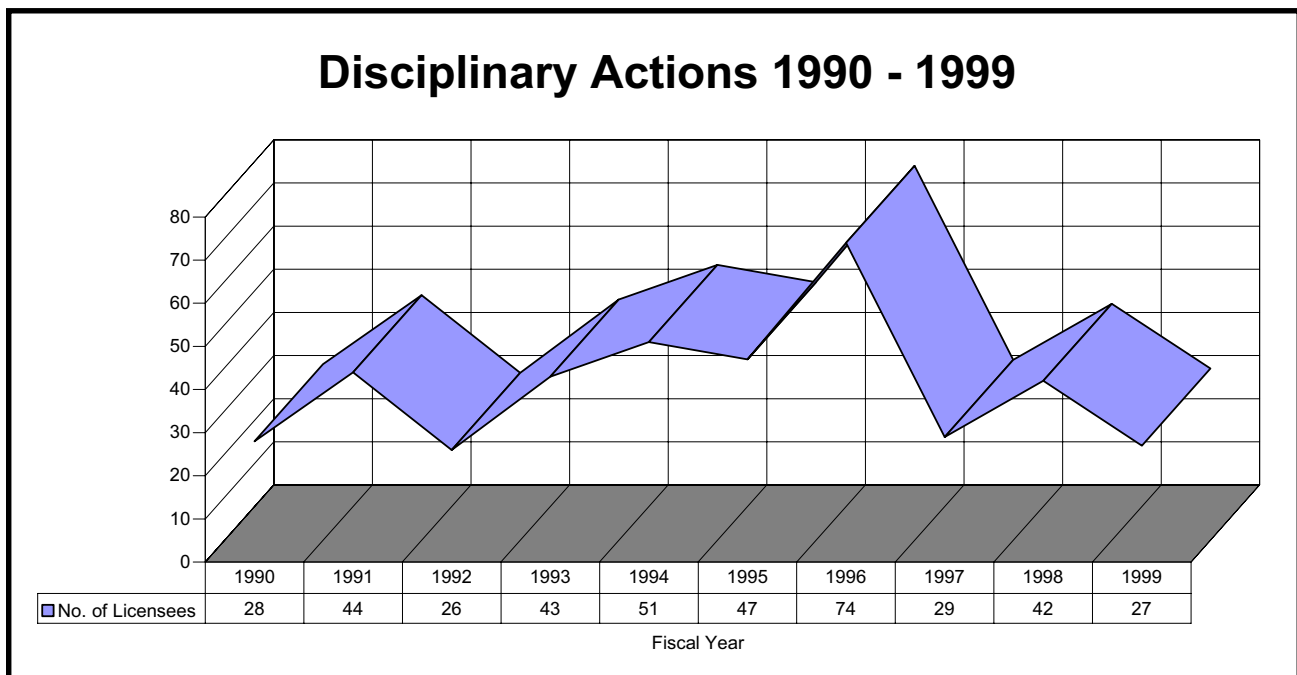
In 1999, two applicants appealed the Commission's denial of their applications. One individual was denied a broker experience certificate and one was denied a salesperson's license. By

comparison, in 1998, five appeals were filed, and the Commission issued final orders in ten appeal cases. In September 1998, the First Circuit Court upheld the Commission's denial of a license based on lack of "financial integrity."

Table 5. FY 1999 Administrative Actions

FY 1999 Administrative Actions	
No. of Licensees Disciplined - By Category	
General Brokerage	6
Condominium Hotel Operator	5
Condominium Managing Agent	2
Property Management	7
Tax Obligations	7
Total	27
Licenses Revoked	8
Licenses Suspended	2
Licenses Fined	19
Total fines	\$151,497
Restitution Ordered	6
Total restitution ordered	\$12,346
Licenses Subject to Other Sanctions	3

Chart 15. Disciplinary Actions 1990 - 1999



Regulated Industries Complaints Office (RICO)

The Regulated Industries Complaints Office (RICO) receives, investigates, and prosecutes complaints against real estate licensees for violations of laws and rules. The number of complaints received by RICO has been on a general decline since 1990. See Chart 16. In 1999, there was a slight increase in the number of complaints received by RICO (from 140 in 1998 to 152 in 1999).

Of the 152 complaints, 61 have been closed. The closed cases included 6 that were more appropriate for civil legal proceedings,

16 in which there was insufficient evidence of violations, 3 in which there was a finding that no violation had occurred, 7 that were resolved, and 27 that were closed with a warning letter issued.

Charts 17 and 18 show the number of cases in which specific provisions of law or rule were violated or alleged to be violated. The violations found or admitted to were based on disciplinary actions ordered by the Commission during the year. The allegations in RICO complaints were based on complaints received by RICO during the year.

Chart 16. RICO Complaints FY 1990 - 1999

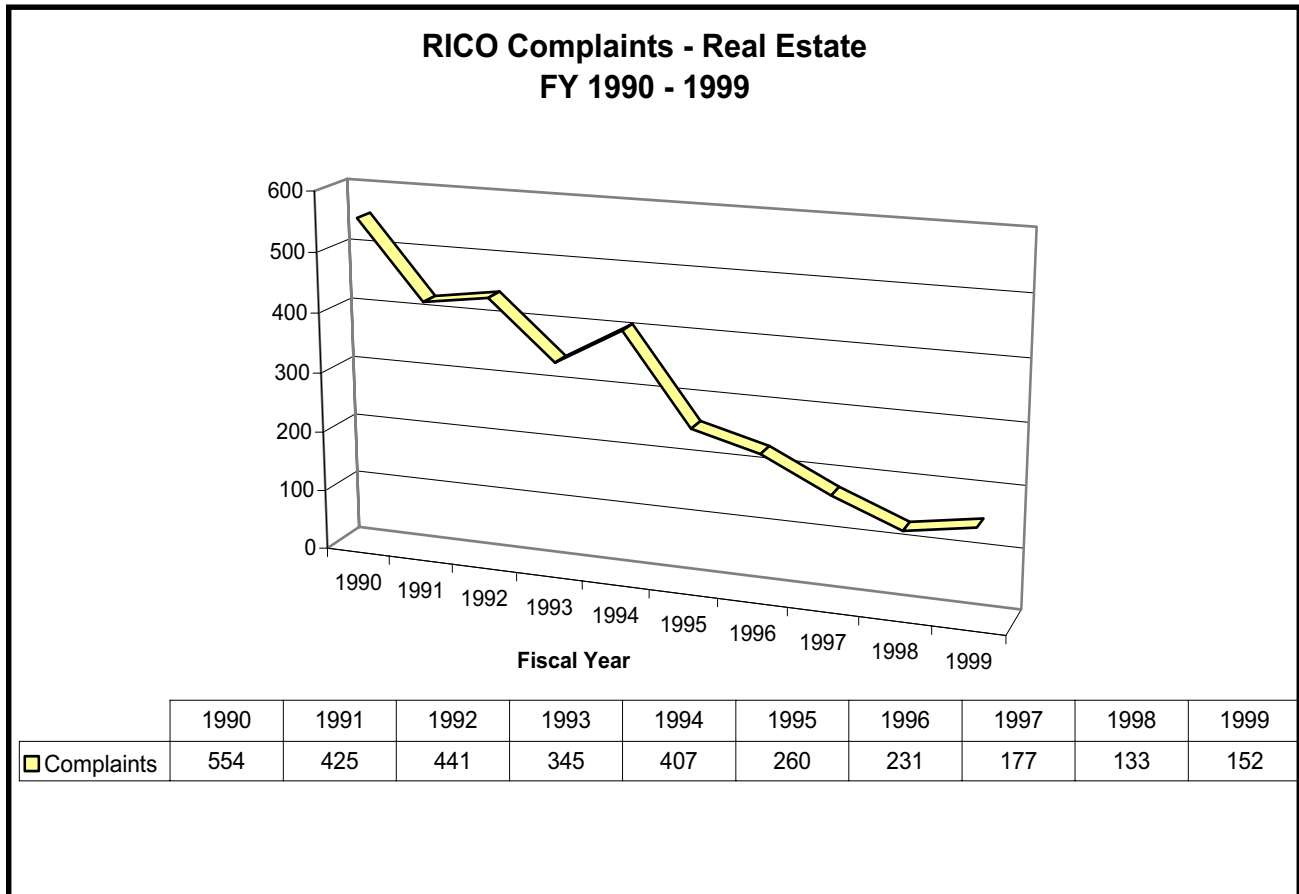


Chart 17. Rules Ch. 99 Complaints and Violations

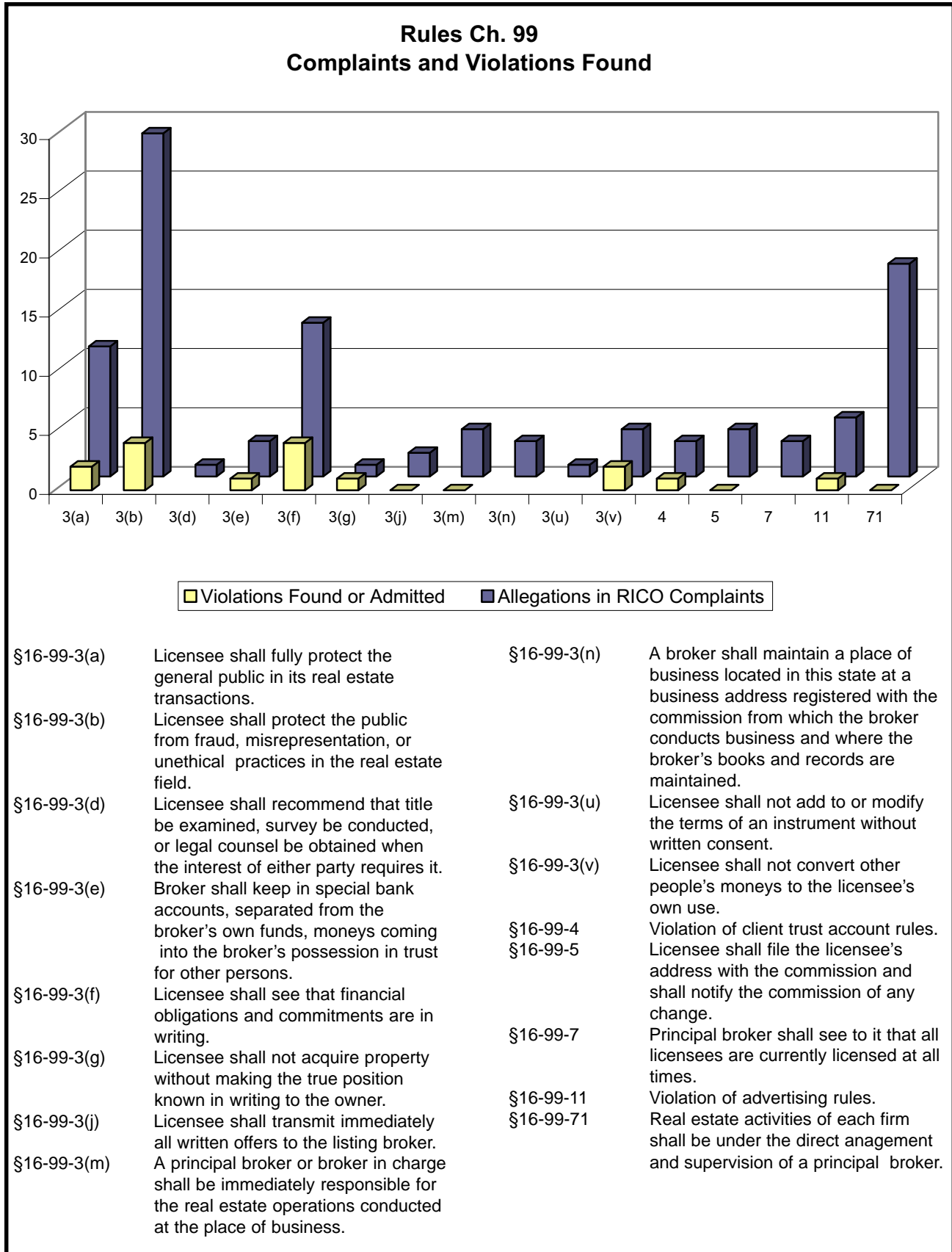
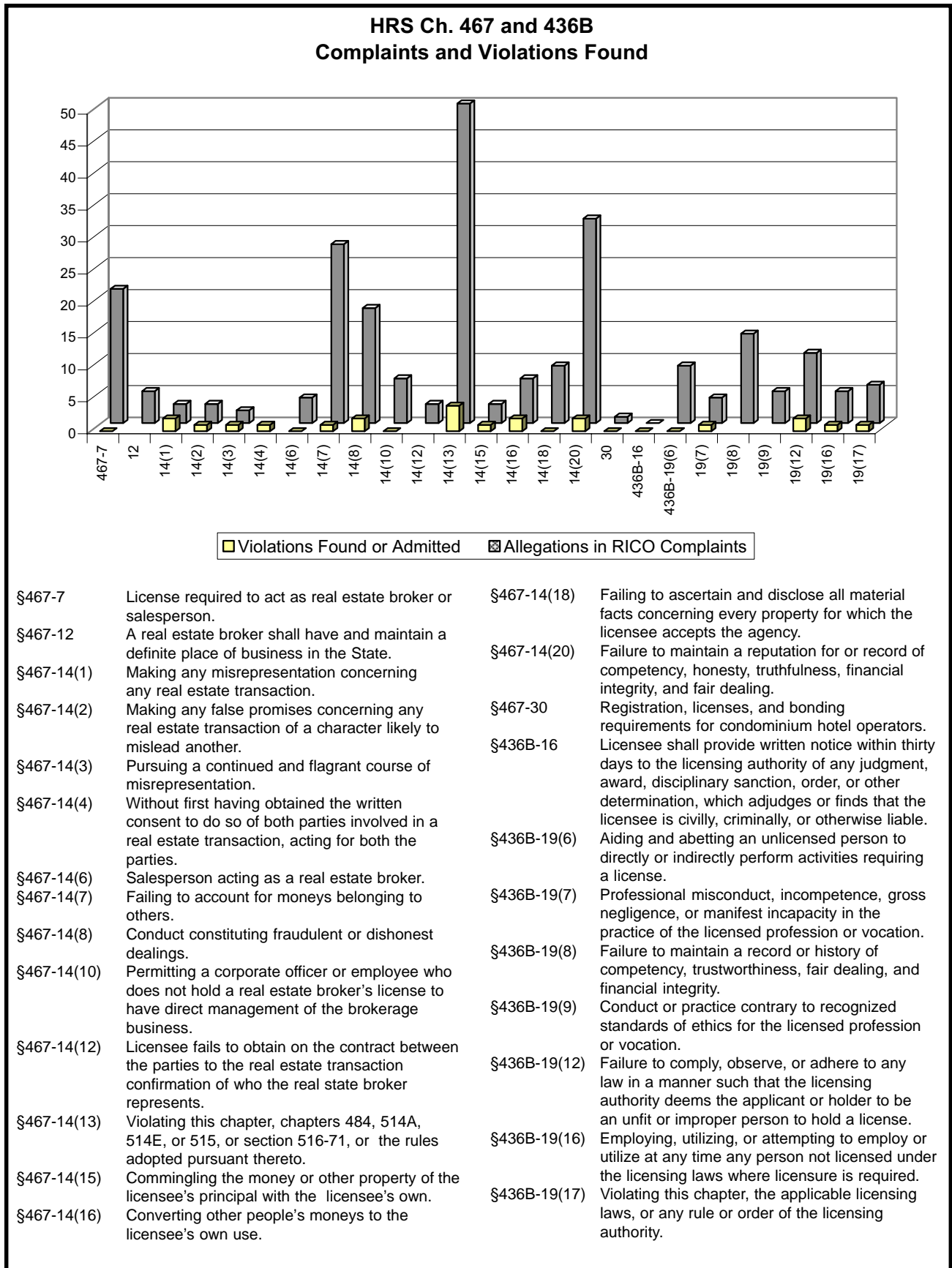


Chart 18. HRS Ch. 467 and 436B Complaints and Violations



Real Estate Education Fund

FUND BALANCE As of June 30, 1999 (Unaudited)

ASSETS

Cash	
In State Treasury	\$430,888
Short term cash investments	185,178
Investment securities (cost)	74,262
Investment income due from Recovery Fund	29,116
Total Assets	<u>\$719,444</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$22,027
Fund Balance	
Reserve for Encumbrances	31,416
Unreserved	666,001
Total Fund Balance	<u>697,417</u>
Total Liabilities and Fund Balance	<u>\$719,444</u>

REVENUES AND EXPENDITURES For the Year Ended June 30, 1999 (Unaudited)

Revenues	
Fees	\$539,033
Interest	48,280
Total Revenues	587,313
Expenditures	285,092
Excess (deficiency) of revenues over expenditure	302,221
Fund Balance	
Beginning of Year	395,195
End of Year	<u>\$697,416</u>

FY 1999 EXPENDITURES AND ENCUMBRANCES (Unaudited)

I. OPERATIONS

Personnel	\$245,099
Supplies	289
Postage	1,612
Equipment Rentals/Maintenance	4,800
Machinery and Equipment	2,408
Total Operations	<u>254,208</u>

II. DIRECT LICENSEE EDUCATION

Quarterly Bulletin/Annual Report	37,452
Research and Education Center	4,200
Neighbor Islands Outreach	1,185
Advice, Education, Referral	144
Programs	10,438
Total Direct Licensee Education	<u>53,419</u>

III. INDIRECT LICENSEE EDUCATION

Interactive Participation w/Orgs.	4,351
Cooperative Ed., Res., Admin. Prog.	1,000
Division and Department Programs	1,000
Staff Development	740
Dues & Subscriptions	245
Records Management	1,545
Total Indirect Licensee Education	<u>8,881</u>

Total Expenditures and Encumbrances

\$316,508

REVENUES AND EXPENDITURES AND ENCUMBRANCES 1995 - 1999

	Fiscal Year				
	1995	1996	1997	1998	1999
Revenues					
Fees	\$695,185	\$68,895	\$579,390	\$55,880	\$539,033
Investment Income	33,881	67,403	38,586	49,045	48,280
Total Revenues	<u>729,066</u>	<u>136,298</u>	<u>617,976</u>	<u>104,925</u>	<u>587,313</u>
Expenditures and Encumbrances	555,367	367,227	473,892	371,700	316,508
Excess (deficiency) of revenues	\$173,699	(\$230,929)	\$144,084	(\$266,775)	\$270,805

Real Estate Recovery Fund

FUND BALANCE
As of June 30, 1999
(Unaudited)

ASSETS	
Cash	
In State Treasury	\$173,489
Short term cash investments	258,343
Investment securities (cost)	192,982
Total Assets	<u>\$624,814</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Investment income due to Real Estate Education Fund	\$8,638
Fund Balance	
Reserve for encumbrances	5,373
Unreserved	610,803
Total Fund Balance	<u>616,176</u>
Total Liabilities and Fund Balance	<u>\$624,814</u>

FY 1999 RECOVERY FUND PAYMENTS

Case No.	Licensee	Amount
Civ. 91-4210-12	Milagros C. Baradi	25,000

REVENUES AND EXPENDITURES AND ENCUMBRANCES 1995 - 1999

	Fiscal Year				
	1995	1996	1997	1998	1999
Revenues	\$57,872	\$55,191	\$35,764	\$38,202	\$44,217
Expenditures and Encumbrances					
Operations				4,820	13,960
Claims	0	105,554	35,971	145,000	33,060
Contract services	56,626	50,562	44,823	50,255	25,000
Total Expenditures and Encumbrances	56,626	156,116	80,794	200,075	72,020
Recoveries	1,181	-555	-64	48,745	0
Excess (deficiency) of revenues over expenditures	\$2,427	(\$101,480)	(\$45,094)	(\$113,128)	(\$27,803)

Condominium Education Fund

FUND BALANCE As of June 30, 1999 (Unaudited)

ASSETS

Cash	
In State Treasury	\$754,586
Short term cash investments	250,000
Total Assets	<u>\$1,004,586</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$14,846
Fund Balance	
Reserve for Encumbrances	18,864
Unreserved	970,876
Total Fund Balance	<u>989,740</u>
Total Liabilities and Fund Balance	<u>\$1,004,586</u>

REVENUES AND EXPENDITURES For the Year Ended June 30, 1999 (Unaudited)

Revenues	
Fees	\$535,580
Interest	19,909
Total Revenues	<u>555,489</u>
Expenditures	<u>236,608</u>
Excess of revenues over expenditures	318,881
Fund Balance	
Beginning of year	670,859
End of year	<u>\$989,740</u>

FY 1999 EXPENDITURES AND ENCUMBRANCES (Unaudited)

Personnel	\$78,636
Supplies	5,333
Postage	2,253
Equipment Rentals/Maintenance	4,800
Research and Education Center	132,768
Education and Research	26,815
Equipment for Office	566
Staff/Commissioner Development	4,038
Resource Materials	83
Dues & Subscriptions	<u>180</u>
Total Expenditures and Encumbrances	\$255,472

FY 2000 BUDGET

Expenditures	
Personnel	\$77,066
Supplies	7,500
Postage	7,000
Equipment Rentals/Maintenance	12,000
Contingency	1,000
Education and Research	208,333
Equipment for Office	5,000
Staff/Commissioner Development	5,000
Resource Materials	5,000
Dues & Subscriptions	2,000
Miscellaneous	<u>1,000</u>
Total Expenditures	\$330,899

REVENUES AND EXPENDITURES AND ENCUMBRANCES 1995 - 1999

	Fiscal Year				
	1995	1996	1997	1998	1999
Revenues					
Fees	\$267,716	\$265,885	\$565,060	\$93,310	\$535,580
Investment income	2,856	3,943	7,582	18,928	19,909
Total Revenues	<u>270,572</u>	<u>269,828</u>	<u>572,642</u>	<u>112,238</u>	<u>555,489</u>
Expenditures and Encumbrances	<u>308,551</u>	<u>243,883</u>	<u>230,263</u>	<u>255,443</u>	<u>255,472</u>
Excess (deficiency) of revenues	(\$37,979)	\$25,945	\$342,379	(\$143,205)	\$300,017

FY 1999 Program of Work

EDUCATION REVIEW COMMITTEE

Continuing Education 1999-2000 Core Course— Research and development of core course for 1999-2000 license biennium.

Evaluation and Education System for CE and Prelicensing Instructors— In a collaboration with the Hawaii Association of Realtors and HARES, continue to administer evaluation system of prelicensing and continuing education instructors.

HREREC Interactive Program— Participation with Commission at neighbor island meetings.

Webpage— Maintain and improve HREREC webpage through Internet.

Real Estate Hotline— Administer the HREREC delivery system of real estate and condominium information for neighbor island licensees utilizing the WATTS line.

HREREC Administration— Administration of program of work and budget, including contracts, budget, joint projects, contracted projects, and coordination of activities.

Administration of Prelicense Education Program, Schools, and Instructors— Administration of prelicense school and instructors, applications, approval process, information, renewals, certification, records management, reevaluation, etc. Coordination of instructor's examination program.

Administration of Examinations— Administration of real estate licensing examination program including contract administration with ASI, information, troubleshooting, review and amendments to application booklets, periodic reports, EXPro daily exams, etc.

Administration of Continuing Education Elective Courses— Provide administrative information to elective course providers and licensees, assist providers in submissions, review submission applications, review submitted curriculum, make recommendations, and records management.

Administration of Continuing Education Program, Providers, and Instructors— Administration of continuing education program, providers, instructors, courses, information center, records management, etc. Research, development, printing, and distribution of quarterly *School Files*, a bulletin for educators; a joint program with Prelicense Education Program

Real Estate Education Fund (REEF)— Maintenance and review of budget, finance, and records for REEF; preparation of financial statements; preparation of budgets; administration of fund investment programs including contract administration and procurement code management.

Annual Report and Quarterly Bulletin— Research, edit, printing, and distribution of annual report and quarterly bulletin.

Meetings and Symposium— Plan, coordinate, and conduct monthly Education Review Committee meetings.

Advice, Education, and Referral— Provide advice, education, and referral to applicants, licensees, government officials, consumers, public organizations, etc.

Neighbor Island Outreach— Hold two ERC meetings at selected neighbor island sites with CRC and LRRC meetings.

Interactive Participation with Organizations— Active participation with Hawaii, Pacific Rim, national, and international organizations and government agencies for the exchange of information and concerns, sharing of educational and research efforts, joint projects of mutual concern, training, etc.

Real Estate Seminars— Provide for a statewide seminar for real estate licensees and/or consumers through a contractor via subsidy, sponsoring, assisting, or cosponsoring.

Legislative Participation, Research, and Report— Research, participate, and/or report on any request by the Legislature, including resolutions, agreements, and issues of mutual concern.

Real Estate Specialists of the Day— Real estate specialists set up office on a neighbor island to provide advice, education, and referral with advanced publicity, mailouts, and appointments; upon request, provide training to RICO investigators.

Real Estate Speakership Program— Subject to State government approvals and priorities, honor request to provide a speaker, resource person, or participant in a function related to real estate education.

Instructor's Development Workshop— Development, sponsoring, coordination, and/or producing of instructor development workshops for prelicensing and continuing education instructors to meet rule requirements.

Uniform Section Equivalency of Prelicensing Examination— Study the feasibility of recognizing and accepting the uniform section of ASI and/or ETS exams for candidates who have the uniform section of another state exam per Legislative Auditor's report.

Prelicensing Education Equivalency Administration— Study and evaluate educational requirements of other States and jurisdictions in coordination with ARELLO.

Records Management— Evaluate, plan, reorganize, and implement a centralized, consistent, user friendly, computerized glossary of the existing and future records and files.

Real Estate Reference Library— Subscribe and purchase real estate reference materials for public review. Study and report on the feasibility of a program through the Hawaii State Library system similar to the Condominium Review Committee's program.

New Technology Program— Administration of in-house and network computer system, coordination with DCCA's coordinator, training of staff, purchases of hardware and software, programming, etc.

Information Distribution System— Research, development, and implementation of a centralized information distribution system for all the education products produced by the Commission and HREREC.

New Salesperson and new Broker Startup Kits— Package and distribute startup kits to newly licensed salespersons.

Cooperative Education, Research, and Administration Program— Actively participate and sponsor cooperative education, research and administrative programs for those that provide direct or indirect services to Commission or are part of a real estate related program.

Division and Department Programs— Coordinate activities and programs of mutual concern with PVL and DCCA.

Staff and Commissioners Development— Development and training of staff and commissioners for better administration of the real estate programs.

HREREC Termination Transition— Work and plan with HREREC on the transition of the termination of contract, included transfer of programs, reference materials, equipment, and other issues on or before June 1999.

Broker Curriculum and Resources— Transfer from HREREC Chair; ERC focus group to review final report and materials, and make recommendations to ERC.

LAWS AND RULES REVIEW COMMITTEE

Professional Responsibility Course— Independent study course on professional responsibility for use as a Commission option in disciplinary sanctions, restorations, and reinstatements.

Hawaii Real Estate Laws and Rules Manual— Research, develop and amend Hawaii Real Estate Laws and Rules Manual.

Real Estate Recovery Fund— Provide information, process and administer claims; coordinate responsibilities with consultant attorneys; administer records management, financial reports, administer investment of funds; maintenance and review of budget, preparation of financial statements, preparation of budget.

Rule Making, Chapter 99— Study and evaluate Chapter 99, HAR, and Chapter 467, HRS, for possible rule making.

Rule Making, Chapter 53, Fees— Monitor and review services provided in relation to fees charges, research/study, make recommendations, develop drafts, administer rule making, hearing, approval; in coordination with Licensing Administrator.

Real Estate Licensing and Certification

Administration— Review and recommend amendments to licensure requirements to improve consumer protection, or streamline the licensing program. Handle appeals for license/certification/registration denials.

Meetings and Symposium— Plan, coordinate, and conduct monthly LRRC meetings.

Advice, Education, and Referral— Provide advice, education, and referral to applicants, licensees, government officials, consumers, public organizations, etc., including research, reproduction, mailing, etc. Publish and distribute educational and informational materials; provide educational materials through Commission website. Maintain and improve webpage through Internet.

Neighbor Island Outreach— Hold two LRRC meetings on neighbor island sites with CRC and ERC.

Legislative Acts and Resolutions— Review legislative acts; publish and distribute Chapter 467 public copy; develop summary briefing. Plan and implement requirements of acts and resolutions.

Legislative and Government Participation— Coordinate with Administration; Provide briefings to Legislators and staff, act as resource to Legislators, draft language, draft committee reports, etc. Research, study, and draft written testimony on non-Commission bills; provide oral testimony at hearings, etc.

Interactive Participation with Organizations— Continue active participation with Hawaii, Pacific Rim, National, and International organizations and government agencies for the exchange of information and concerns, sharing of educational and research efforts, joint projects of mutual concern, training, etc.

Review of Services and Organization— Analyze and initiate steps to improve the services provided or amend processes without compromising consumer protection, to streamline for effectiveness and efficiency, amendments to laws, amendments to rules, amending forms, amending the system, staffing, equipment, reorganization, etc. Conduct training sessions for Licensing Branch personnel.

Application Processing and Forms— Study and evaluate the processing of application forms, the wall

and pocket card license; evaluate and amend forms and instructions; assist in mainframe computer programming issues. Study and report on other electronic/computer methods to improve processing including additional uses of bar coding.

ARELLO National Disciplinary Action Data Bank— Continue participation in the ARELLO National Disciplinary Data Bank to assist in background review of applicants and assist in consumer protection nationally.

License Renewal— Implement plan for 99/00 renewal, research feasibility of moving distribution of renewal application forms to an earlier date. Distribute a list of all current real estate salespersons to principal brokers, to update records at least six months prior to renewal deadline.

Commissioners Education Program— Research and draft amendments to Commission Workbook for Commissioners. Hold orientation sessions for new Commissioners and annual workshop for all Commissioners.

Division and Department Programs— Coordinate and work with PVL/D/DCCA, and others on any program of mutual concern, joint program with ERC and CRC.

HUD/ARELLO Fair Housing Agreement— Administer the terms of the agreement and coordinate annual review by HUD officials. Participate with ARELLO Fair Housing Committee and work with ARELLO on the terms of the agreement.

Case Law Review Program— Monitor, collect, and report on case law, disciplinary actions, judgments and decisions on Hawaii court cases, federal court cases, and other States court cases; material cases to be considered for Real Estate Bulletin. Report Hawaii cases to ARELLO annually.

FY 2000 Program of Work

EDUCATION REVIEW COMMITTEE

Continuing Education 1999-2000 Core Course
 Evaluation and Education System for
 Continuing Education and Prelicensing
 Instructors
 Post HREREC Contract Termination
 Administration
 Administration of Prelicense Education
 Program, Schools, and Instructors
 Administration of Examinations
 Administration of Continuing Education Elective
 Courses
 Administration of Continuing Education
 Program, Providers, and Instructors
 Real Estate Education Fund (REEF)
 Annual Report and Quarterly Bulletin
 Meetings and Symposium
 Advice, Education, and Referral
 Neighbor Island Outreach
 Interactive Participation with Organizations
 Real Estate Seminars
 Legislative Participation, Research and Report
 Real Estate Specialist Office of the Day
 Real Estate Speakership Program
 Instructor's Development Workshop
 Uniform Section Equivalency of Prelicense
 Examination
 Prelicensing Education Equivalency
 Administration
 Records Management
 Real Estate Reference Library
 New Technology Program and Commission
 Website
 Information Distribution System
 New Salesperson and New Broker Startup Kits
 Cooperative Education, Research, and
 Administration Program
 Division and Department Programs
 Staff and Commissioners Development
 Broker Curriculum and Resources

LAWS AND RULES REVIEW COMMITTEE

Real Estate Recovery Fund
 Rule Making, Chapter 99
 Rule Making, Chapter 53, Fees
 Real Estate Licensing, Registration and
 Certification Administration
 Meetings and Symposium
 Advice, Education, and Referral
 Neighbor Island Outreach
 Legislative Acts and Resolutions
 Legislative and Government Participation
 Interactive Participation with Organizations
 Review of Services and Organizations
 Application Processing and Forms
 ARELLO National Disciplinary Action Data
 Bank
 Licensing Renewal
 Commissioners Education Program
 Division and Department Programs
 HUD/ARELLO Fair Housing Agreement
 Case Law Review Program