

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: August 7, 2013

Time: Upon adjournment of the Condominium Review Committee meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Walter Harvey, Chair / Broker / Honolulu Commissioner
Aileen Wada, Vice Chair / Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Commissioner
Scott Arakaki, Public Member / Honolulu
Rowena Cobb, Broker / Kauai (late arrival)
Nikki T. Senter, Public / Honolulu Commissioner
Scott A. Sherley, Broker / Hawaii Island Commissioner
Laurie Lee, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Benedyne Stone, Condominium Specialist
Cynthia Yee, Senior Condominium Specialist
Shari Wong, Deputy Attorney General
Amy Fujioka, Recording Secretary

Others: Aron Espinueva, Hawaii Association of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®
Bryan Andaya, Eddie Flores Real Estate Continuing Education

Absent: Frances Gendrano, Broker/Honolulu

Call to Order: The Chair called the meeting to order at 9:52 a.m., at which time quorum was established.

Chair's Report: The Chair stated the Committee may move into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with section 92-5(a)(1), HRS, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with section 92-5(a)(4), HRS.

Commissioner Gendrano was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate
Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the July 10, 2013 Education Review Committee meeting.

Continuing Education: Applications

2013-2014 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to ratify the following list:

<u>Registration/Certification</u>	<u>Effective Date</u>
Course(s)	
"Understanding Green Homes" (3 cr) (ARELLO/REMI School of Real Estate)	June 7, 2013
"Foreclosures, Short Sales, REO's, and Auctions v2.0" (3 cr) (Dearborn/Abe Lee Seminars)	July 5, 2013
"Mortgage Fraud and Predatory Lending v2.0" (3 cr) (Dearborn/Abe Lee Seminars)	July 5, 2013
"Understanding 1031 Tax-Free Exchanges v2.1" (3 cr) (Dearborn/Abe Lee Seminars)	July 5, 2013
"Investment Property Practice & Management v4.0" (6 cr) (Dearborn/Abe Lee Seminars)	July 5, 2013
"The Power of Exchange: Discover the Value of 1031 Tax Deferred Exchanges" (3 cr) (ARELLO/McKissock, LP)	July 5, 2013
"Preparing a Listing Agreement: An In-Depth Look" (4 cr) (ARELLO/McKissock, LP)	July 5, 2013
"Hawaii Land Use Law Related to Cultural Resources" (3 cr) (Dawn N.S Chang/Abe Lee Seminars)	July 5, 2013
"IRC 1031 Exchanges – Key Concepts and Advanced (3 cr) Issues in Today's Market" (Old Republic Exchange Facilitator Company/Abe Lee Seminars)	July 5, 2013
"Certified Luxury Home Marketing Specialist Training" (9 cr) (National/Hawaii Association of Realtors)	July 19, 2013

Course – "Current Real Estate Compliance Issues 2013-14"; Author/Owner: Eddie Flores, Jr. and Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Categories: Real Estate Law, Other: Brokerage Management; Clock Hours: 3

Mr. Bryan Andaya was present to answer any questions from the Committee.

Commissioners Senter and Arakaki recused themselves from discussion and decision making due to conflicts of interest.

Mr. Andaya stated that salespersons and brokers will benefit from a review and refresher regarding rules on advertising and solicitation. The course covers various Hawaii real estate statutes and rules, current events and issues that affect real estate licensees, such as the temporary Principal Broker and Broker in Charge, location of a real estate office, license display, solicitation through telephone, fax and emails, and Hawaii real estate advertising rules.

Commissioner Sherley suggested that the author include leasehold disclosures on leasehold purchases. He also suggested including new federal rules with respect to capital gains when buying and selling real estate.

Mr. Andaya commented that he will include a disclaimer that states the course is not providing advice to real estate licensees, but rather the material attempts to present an intelligent discussion of the issue.

Commissioner Faulkner stated that he noticed some typos throughout the materials which should be corrected.

Mr. Andaya stated that he will correct typos and add in Commissioner Sherley's suggestions.

Commissioner Cobb questioned who the target audience was for this course.

Mr. Andaya replied that there is no specific target as the subject is broad. Everyone needs to have a refresher and be reminded of the applicable compliance requirements for licensees.

Upon a motion by Commissioner Sherley, seconded by Commissioner Cobb, it was voted on and unanimously carried to take the matter under advisement.

Course – “Analysis of Housing and Economic Indicators”; Author/Owner: Eddie Flores, Jr. and Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Categories: Investment; Other: Economics; Clock Hours: 3

Mr. Bryan Andaya was present to answer any questions from the Committee.

Commissioners Senter and Arakaki recused themselves from discussion and decision making due to conflicts of interest.

Mr. Andaya stated that this course focuses on current issues. Many agents don't know about housing and economic indicators affecting real estate, such as Standard & Poor's Case-Shiller Home Price Index. They should be knowledgeable about these resources and be able to have an intelligent discussion with their clients regarding prices, inventory and affordability.

Upon a motion by Commissioner Sherley, seconded by Commissioner Wada, it was voted on and unanimously carried to take the matter under advisement.

Prelicensure Education: Evaluation and Education Program

Copies of evaluations of the independent study courses from the following Prelicensure Schools were distributed to the Commissioners for their information:

- Abe Lee Seminars (18)
- Seiler School of Real Estate (6)

Administration of Examinations:

PSI

Licensing Examination Statistics – August 2013

Examination statistics for August 2013 were distributed to the Commissioners for their information.

School Pass/Fail Rates – August 2013

School pass/fail rate statistics for August 2013 were distributed to the Commissioners for their information.

School Summary by Test Category – August 2013

Copies of the August 2013 test category summary reports, by school, were distributed to the Commissioners for their information.

Program of Work: Annual Report, Quarterly Bulletin, and School Files

Senior Specialist Fujimura reported that the August 2013 issue of the Real Estate Bulletin will be distributed shortly and the electronic version will be available on the Commission's website: www.hawaii.gov/hirec.

Ad Hoc Committee on Education (ACE)

The Ad Hoc Committee on Education will be working on the 2013-2014 Core Course, Part B.

Executive Session:

Upon a motion by Commissioner Sherley, seconded by Commissioner Cobb, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both; and pursuant to Section 92-5(a)(4), HRS, "To consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities."

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

Course – "Current Real Estate Compliance Issues 2013-14"; Author/Owner: Eddie Flores, Jr. and Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Categories: Real Estate Law, Other: Brokerage Management; Clock Hours: 3

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Current Real Estate Compliance Issues 2013-14" as a three hour elective course under the course categories: Real

Estate Law, Other: Broker Management. The approval is subject to removing the "Will There Be a Real Estate Bubble Soon?" section and the "Capital Gains and Dividends" section from the materials and adding them to the "Analysis of Housing and Economic Indicators" course, and correcting all typos in the course materials.

Course – "Analysis of Housing and Economic Indicators"; Author/Owner: Eddie Flores, Jr. and Bryan Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Categories: Investment; Other: Economics; Clock Hours: 3

Upon a motion by Commissioner Cobb, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Analysis of Housing and Economic Indicators" as a three hour elective course under the course categories: Investment; Other: Economics, subject to including a discussion on the home foreclosure market, incorporating the two topics noted above into the course materials, and submitting all course updates made to the materials, as stated by the author in the course application.

Next Meeting: Wednesday, September 11, 2013
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
King Kalakaua Building
Queen Liliuokalani Conference Room, 1st Floor
335 Merchant Street
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Harvey adjourned the meeting at 10:19 a.m.

Reviewed and approved by:

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

August 13, 2013
Date

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