

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: April 6, 2016

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: Rowena Cobb, Chair / Broker / Kauai Commissioner
Aileen Wada, Vice Chair, Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Commissioner
Scott Arakaki, Public Member / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Scott Sherley, Broker / Hawaii Island Commissioner
Michael Pang, Broker / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner

Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David J. Grupen, Real Estate Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary
Torrie-ann Primacio, Office Assistant

Others: Suzanne Young, Honolulu Board of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®

Absent: Nikki Senter, Public Member / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:48 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 Senter was excused from the meeting. Prior notification of her non-attendance was received.

Real Estate
Specialist's Report:

Additional Distribution

The following was distributed as additional distribution:

6. Administration of Examinations
 - a. PSI
 - 1) Licensing Examination Statistics – March 2016
 - 2) School Pass/Fail Rates – March 2016
 - 3) School Summary by Test Category – March 2016

Minutes of Previous Meeting

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the March 9, 2016, Education Review Committee meeting.

Continuing Education: Administrative Issues

2015-2016 Continuing Education Providers and Courses Ratification List

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

<u>Registration/Certification</u>	<u>Effective Date</u>
Course(s)	
Uncovering The Facts About Mortgage Financing (3 Credits) (ARELLO/McKissock, LLC)	03/08/2016
Home Sweet (Second) Home: Vacation, Investment, Luxury Properties (6 Credits) (ARELLO/Hawaii Association of REALTORS)	03/11/2016
Managing Real Estate Risks with Insurance (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
Buyer Counseling: A Planned Approach (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
History of the American Home: Part II (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
Professional Standards and Best Practices (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
Relocation Realities (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016

A Guide to Navigating Real Estate (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
Business and Communications Technology (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/11/2016
Mortgage Products 101 (2016) (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/22/2016
The Essential Real Estate Marketing Guide (2016) (3 Credits) (ARELLO/Continuing Ed Express LLC)	03/22/2016
Residential Property Management (3 Credits) Ralph Foulger's Real Estate School of Hawaii	03/22/2016

Applications

Provider – Preferred Systems, Inc., Administrator – Jilian Krause

Upon a motion by Commissioner Pang, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve Preferred Systems, Inc. as a continuing education provider.

Course – "Managing the Home Inspection"; Author/Owner: Jilian Krause, Provider – Preferred Systems, Inc. (pending approval); Course Categories: Property Management, Property Ownership and Development, Risk Management; Clock Hours: 3

Commissioner Klein questioned what is meant by "leverage" in response to item 8 of the course application, "Explain why this course is beyond professional entry." The term "leverage" is inappropriate and adversarial. Commissioner Klein further questioned the licensee's role in the home inspection and noted that the materials should include a discussion of the real estate licensee's presence at a home inspection, not just the presence or non-presence of the seller and buyer.

Commissioners discussed the term "leverage" used in the applicants response, but noted that the term "leverage" on the course application is not something the student will see. The word does raise concerns and makes it seem as if people are not doing their job.

It was suggested that the term "leverage" be changed to "best utilized" and "regardless" be changed to "whether or not" for the response to read, "This course will take agents 'beyond professional entry' as they will learn the tools necessary to best utilize the home inspection process for maximum benefit for their client; whether or not their client is the buyer or seller."

Upon a motion by Commissioner Pang, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve "Managing the Home Inspection" as a three credit hour continuing education course, under the course

categories Property Management, Property Ownership and Development, and Risk Management subject to receipt of the author's explanation of the term "leverage" and an inclusion in the course materials of a discussion of the real estate licensee's presence at a home inspection.

Course – "Radon and Real Estate Transactions "; Author/Owner: Jillian Krause; Provider: Preferred Systems, Inc. (pending approval); Course Categories: Property Ownership and Development, Risk Management, Other – Radon; Clock Hours: 3

Commissioner Klein questioned why a course on Radon is being offered in a State which does not have Radon.

Commissioner Sherley responded that Hawaii currently does have small levels of Radon which normally are not picked up by detectors, but we do not know if the presence of Radon will increase in the future. This is not something that can be determined by the Commission.

Specialist Fujimura noted that she can inform the applicant of the appropriateness of the course.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "Radon and Real Estate Transactions" as a three credit hour continuing education course, under the course categories Property Ownership and Development, Risk Management, and Other - Radon.

Course – "Fiduciary Duty: Damned If We Do and Damned If We Don't"; Author/Owner: Trudy Nishihara; Provider: Coldwell Banker Pacific Properties Real Estate School; Course Category: Risk Management; Clock Hours: 3

Commissioners suggested a change of the course title to "Look Both Ways Before You Cross the Fiduciary Line."

Upon a motion by Commissioner Arakaki, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "Fiduciary Duty: Damned If We Do and Damned If We Don't" as a three credit hour continuing education course, under the course category Risk Management. Staff to inform the author of the Committee's suggested course title revision.

Provider – The Berman Education Company, LLC; Administrator – Harold Berman

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve The Berman Education Company LLC as a continuing education provider.

Course – "From Contract to Closing"; Author/Owner: Hawaii Association of REALTORS®; Course Categories: Contracts, Dispute Resolution, Other – Duties & Roles after Contract Signing. Clock Hours: 6

Marsha Shimizu of the Hawaii Association of REALTORS® was present to answer any questions the Committee may have. Ms. Shimizu noted that this course is a part of the GRI series. The course also reinforces that the agent's

responsibility does not end at the signing of a contract. The licensee must monitor deadlines and follow up with all parties involved in the transaction.

Ms. Shimizu responded in the affirmative when asked by EO Ino if the course teaches what a transaction manager should do. She further noted that the course is taught through a PowerPoint presentation which is more visible to the student.

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "From Contract to Closing" as a six credit hour continuing education course, under the course categories Contracts, Dispute Resolution, Other – Duties & Roles after Contract Signing.

Prelicense Education: Applications

Guest Lecturer – Bobbin Tabalno, Coldwell Banker Pacific Properties Real Estate School, Trudy Nishihara, Principal

Upon a motion by Commissioner Lee, seconded by Commissioner Klein, it was voted on and unanimously carried to approve Bobbin Tabalno as a prelicense guest lecturer for the subject matter "Uniform and State Laws."

Administration of Examinations:

PSI

Licensing Examination Statistics – March 2016

Examination statistics for March 2016 were distributed to the Commissioners for their information.

School Pass/Fail Rates – March 2016

School pass/fail rate statistics for March 2016 were distributed to the Commissioners for their information.

School Summary by Test Category – March 2016

Copies of the March 2016 test category summary reports, by school, were distributed to the Commissioners for their information.

Educator's Forum: **Hawaii Association of REALTORS®** – none.

Public and Private Institutions of Higher Education – none.

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

Senior Specialist Fujimura reported that the April 2016 issue of School Files will be distributed shortly and a copy will be made available on the Commission's website: www.hawaii.gov/hirec.

Ad Hoc Committee on Education (ACE)

Continuing Education Core B 2015-2016 first draft deadline is April 11, 2016. The Committee is scheduled to meet on April 26, 2016 to review the first draft. The course is anticipated to be available in late June, early July 2016.

Budget and Finance Report: Real Estate Education Fund

Commissioners questioned the -107% under Expenditures and Encumbrances, percent remaining under the Annual Report & Quarterly Bulletin.

Specialist Grupen responded that the negative amount is due to postage recording and that the adjustment will be made. The Expenditure & Encumbrances total will remain the same at 53%.

Commissioner Lee contemplated sending out the Real Estate Bulletin electronically.

SEO Fujitani responded that licensees may not read the Bulletin if it is sent out electronically. There have been reports from other jurisdictions that readership declined drastically when they switched to an all-electronic distribution. Staff would like to ensure that the Bulletin is readily available to all licensees by continuing to send out a copy to each current licensee.

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the Real Estate Education Fund report for the fiscal year ending January 31, 2016.

Next Meeting: Wednesday, May 11, 2016
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Sherley adjourned the meeting at 10:18 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

April 13, 2016

Date

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