

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 12, 2015

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
Nikki Senter, 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
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary
Torrie-ann, Primacio, Office Assistant

Others: Aron Espinueva, Hawaii Association of REALTORS®

Absent: None.

Call to Order: The Chair called the meeting to order at 10:16 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.

Real Estate Specialist's Report: Minutes of Previous Meeting

Upon a motion by Commissioner Sherley, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the July 8, 2015, Education Review Committee meeting as circulated.

Continuing Education: Administrative Issues

2015-2016 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:

<u>Registration/Certification</u>	<u>Effective Date</u>
Course(s) "Avoiding Unethical Behaviors - Real Life Applications of the Code of Ethics" (3 credits) (Hawaii Island REALTORS)	June 30, 2015
"Building An Exceptional Customer Service Referral Business" (6 credits) (Hawaii Association of REALTORS / National)	July 23, 2015

Applications

Provider - USA Homeownership Foundation, Inc. dba Veterans Association of Real Estate Professionals (VAREP); Administrator – Son Nguyen

Upon a motion by Commissioner Klein, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve the Application for Continuing Education Provider of USA Homeownership Foundation, Inc., DBA Veterans Association of Real Estate Professionals (VAREP).

Course – "Military and Veteran Housing Certification (MVHC)"; Author/Owner: Son Nguyen; Provider (pending approval): USA Homeownership Foundation, Inc. dba VAREP; Course Categories: Finance, Other – Course on VA Loan; Clock Hours: 8

Commissioners were impressed with the resume submitted and noted that there is a need for good quality VA courses.

The total credit hours need to be reflective of the actual instructional hours.

Commissioner Sherley moved to approve "Military and Veteran Housing Certification (MVHC)" as a 7 credit hour continuing education elective course, under the course categories Finance, Other – Course on VA Loan, subject to the course credit hours to reflect instructional time only. Commissioner Lee seconded the motion. The motion was voted on and unanimously carried.

Course – "Advanced CFPB: How to Avoid Being Embarrassed at Closing;" Author/Owner: Todd Cordrey; Provider: American Dream Real Estate School LLC; Course Categories: Contracts, Finance, Real Estate Law, Technology and the Licensee, Other – Principles/ Essentials, Consumer Protection, Ethics and Standards of Practice; Clock Hours: 3

The course as titled appears as if it is a course for CFPB, the Consumer Financial Protection Bureau, which it is not. Committee members expressed that the content was

not "advanced CFPB," as the CFPB is an agency, and the content focusses more on federal laws and federal mortgage topics like TILA and RESPA. The Committee members suggested renaming the course and clarifying the course description.

A correction to page 1 of 9 of the course and page 3 of the PowerPoint slides was noted to change the word, "properly" to "improperly" in the sentence, "Credit dried up, and countless consumer loans – many properly (sic) made to begin with – went into default."

Commissioner Pang moved to approve "Advanced CFPB: How to Avoid Being Embarrassed at Closing" as a 3 credit hour continuing education elective course, under the course categories Contracts, Finance, Real Estate Law, Technology and the Licensee, Other – Principles/ Essentials, Consumer Protection, Ethics and Standards of Practice, subject to a title more appropriate to the course material. Commissioner Klein seconded the motion. The motion was voted on and unanimously carried.

Course – "Successful Buyer Systems: How to Deliver the Best to Today's Buyer;" Author/Owner: Todd Cordrey; Provider: American Dream Real Estate School LLC; Course Categories: Contracts, Technology and the Licensee, Other – Evaluating real estate and business opportunities, real estate sales and marketing; Clock Hours: 3

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Successful Buyer Systems: How to Deliver the Best to Today's Buyer" as a 3 credit hour continuing education course, under the course categories : Contracts, Technology and the Licensee, Other – Evaluating real estate and business opportunities, real estate sales and marketing.

Course – "Successful Seller Systems: How to Deliver the Best to Today's Seller;" Author/Owner: Todd Cordrey; Provider: American Dream Real Estate School LLC; Course Categories: Contracts, Real Estate Law, Technology and the Licensee, Other – Evaluating real estate and business opportunities, real estate sales and marketing; Clock Hours: 3

Upon a motion by Commissioner Pang, seconded by Commissioner Klein, it was voted on and unanimously carried to approve "Successful Seller Systems: How to Deliver the Best to Today's Seller" as a 3 credit hour continuing education course, under the course categories Contracts, Real Estate Law, Technology and the Licensee, Other – Evaluating real estate and business opportunities, real estate sales and marketing.

Course – "Working with Fix and Flip Real Estate Investors;" Author/Owner: Todd Cordrey; Provider: American Dream Real Estate School LLC; Course Categories: Investment, Property Ownership and Development, Other – Principles/Essentials, Consumer Protection, Ethics and Standards of Practice; Clock Hours: 3

Concerns were raised relating to the bullet point items of "Estimating Repairs" and "Making Offers."

Commissioner Sherley noted that the bullet point items seem to be discussion points rather than providing direction.

Commissioner Klein noted the wording on page 10 should be changed to "Inspect or Not to Inspect" instead of "Short or No Inspection Period" as it is not clear what was intended and may contradict the subheading that follows "Maximize Inspection Period."

It was suggested that a cautionary statement be added to the materials, such as "Always consult with your principal broker, and be aware that different states have different laws that govern a real estate transaction."

Specialist Fujimura responded that this issue was brought up previously regarding National courses, at which time the following disclaimer was added to the Commission's Education site: "Not all approved continuing education courses include information on Hawaii laws and rules relative to the topic of the course. Topics of national interest will not necessarily cover Hawaii laws and rules, but may be generic in coverage."

Commissioner Pang moved to approve "Working with Fix and Flip Real Estate Investors" as a 3 credit hour continuing education elective course, under the course categories Investment, Property Ownership and Development, Other – Principles/Essentials, Consumer Protection, Ethics and Standards of Practice subject to incorporating the committee's suggestions. Commissioner Sherley seconded the motion. The motion was voted on and unanimously carried.

Course – "Top Policy Issues Facing Brokerages Today!" Author/Owner: Marcie Roggow; Provider: Hawaii Association of REALTORS®; Course Categories: Real Estate Law, Risk Management, Broker Management, Other – Ethics and Professionalism; Clock Hours: 3

Upon a motion by Commissioner Klein, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "Top Policy Issues Facing Brokerages Today!" as a 3 credit hour continuing education course, under the course categories Real Estate Law, Risk Management, Broker Management, Other – Ethics and Professionalism.

Course – "Procuring Cause: Who's (sic) Commission is IT Anyway?" Author/Owner: Marcie Roggow; Provider: Hawaii Association of REALTORS®; Course Categories: Real Estate Law, Risk Management, Broker Management, Other – Ethics and Professionalism; Clock Hours: 3

Upon a motion by Commissioner Klein, seconded by Commissioner Sherley, it was voted on and unanimously carried to approve "Who's (sic) Commission is IT Anyway?" as a 3 credit hour continuing education course, under the course categories Real Estate Law, Risk Management, Broker Management, Other – Ethics and Professionalism.

Course – "Identifying Trouble Areas in Residential Building & Permitting;" Author/Owner: BIA-Hawaii; Provider: Shari Motooka-Higa; Course Category: Other – Residential Construction Basics; Clock Hours: 5

Commissioners inquired whether additional documentation had been submitted in addition to the timeline and instructor resumes.

Specialist Fujimura responded in the negative.

It was suggested that "Chapter 1 - Introduction: Types of Builders" be expanded to include Owner-Builders and that the sub-topics be expanded and added to in the course outline. Also, a suggestion was made to address the permitting involved when an owner adds a structure/room, etc., to the existing dwelling.

The total credit hours need to be reflective of the actual instructional hours. It is not clear what will occur during Lunch & Networking/Tabletops and the Committee members requested that it be deleted from the credit hours requested.

Upon a motion by Commissioner Sherley, seconded by Commissioner Pang, it was voted on and unanimously carried to defer the continuing education elective course application titled "Identifying Trouble Areas in Residential Building & Permitting" for receipt of additional documentation.

Course – "Real Estate Hot Topics 2015-2016;" Author/Owner: Scott A. Sherley; Provider: Real Class, Inc.; Course Categories: Real Estate Law, Risk Management, Property Management; Clock Hours: 3

Commissioner Sherley recused himself from any decision making regarding the application "Real Estate Hot Topics 2015-2016."

Commissioner Klein noted that page 10 relating to Emotional Support Animals (ESA) is confusing.

Mr. Sherley responded that he receives many calls relating to emotional support animals. As of July 15th the federal government has come out with a new question and answer document which will also be used as a handout for this section of the course.

Commissioner Klein suggested that an acronym dictionary be included.

Commissioner Arakaki moved to approve "Real Estate Hot Topics 2015-2016" as a 3 credit hour continuing education elective course, under the course categories Real Estate Law, Risk Management, Property Management, subject to the inclusion of an acronym dictionary. Commissioner Faulkner seconded the motion. The motion was voted on and carried.

Mr. Sherley also noted that he is working with Roundabout Education to create an online version of this course which will contain videos and slides.

Prelicense Education: Evaluation and Education Program

Copies of evaluations of the independent study course from the following prelicense schools were distributed to the Commissioners for their information:

- Continuing Education Express (5)
- ProSchools/OnCourse Learning (17)

Administration of Examinations:

PSI

Licensing Examination Statistics – July 2015

Examination statistics for July 2015 were distributed to the Commissioners for their information.

School Pass/Fail Rates – July 2015

School pass/fail rate statistics for July 2015 were distributed to the Commissioners for their information.

School Summary by Test Category – July 2015

Copies of the July 2015 test category summary reports, by school, were distributed to the Commissioners for their information.

Educator's Forum: **Hawaii Association of REALTORS®** – No discussion presented.

Public and Private Institutions of Higher Education – No discussion presented.

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

Senior Specialist Fujimura reported that the August 2015 *Real Estate Bulletin* will be distributed shortly and a copy is available on the Commission's website:
www.hawaii.gov/hirec.

Neighbor Island Outreach and Real Estate Specialist Office for the Day

The September Committee meetings will be held on Friday, September 4, 2015 at the West Hawaii Civic Center's Community Meeting Hale in Kailua-Kona. The Specialists' Office for the Day will be held in conjunction with the meeting.

ARELLO, REEA
And Other
Organizations:

Commissioner Sherley's written report of his attendance and participation at the Real Estate Educators Association Annual Conference was distributed for informational purposes. Commissioner Sherley noted that the IDW instructed by Karel Murray was excellent. HAR is working to bring Ms. Murray to Hawaii in the near future for either CE or other educational presentations. Commissioner Sherley was also asked to present at the conference. His topic "We have met the enemy...and It's PowerPoint" was presented on June 21st.

Budget and Finance
Report: No report presented.

Next Meeting: Friday, September 4, 2015
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.
Community Meeting Hale
West Hawaii Civic Center
74-5044 Ane Keohokalole Hwy., Bldg. G
Kailua-Kona, Hawaii 96740

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 11:00 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

August 14, 2015

Date

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