

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: November 9, 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
Nikki Senter, Public Member / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Michael Pang, 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
Carole Richelieu, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Secretary
Dorothy Aquino, Recording Secretary

Others: Marsha Shimizu, Hawaii Association of REALTORS®
Dale Head, Hui 'Oia'i'o
Lila Mower, Hui 'Oia'i'o
Lourdes Scheidert, Hui 'Oia'i'o
Helen Wagner, Kokua Council
Kate Paine, Association of Apartment Owner

Absent: Aleta Klein, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:49 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 Klein was excused from today's meeting. Prior notice of her non-attendance was received.

Minutes of Previous Meeting

Upon a motion by Commissioner Lee, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the October 12, 2016 Education Review Committee meeting.

Continuing Education: Applications

Provider - Council of Residential Specialists; Administrator – Regina Harvey

Upon a motion by Commissioner Pang, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Council of Residential Specialists", an affiliate of the National Association of REALTORS®, as a continuing education provider.

Course – "Be As Professional As You Can Be;" Author/Owner: Marcie Roggow; Provider: Hawaii Association of REALTORS®; Course Category: Real Estate Law, Dispute Resolution, Risk Management, Broker Management, Other – Ethics, Professionalism; Clock Hours: 3

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Be As Professional As You Can Be" as a 3 credit hour continuing education course, under the course categories Real Estate Law, Dispute Resolution, Risk Management, Broker Management, Other – Ethics, Professionalism.

Course – "Advertising Compliance Made Easy;" Author/Owner: Marcie Roggow; Provider: Hawaii Association of REALTOR®; Course Categories: Real Estate Law, Risk Management, Broker Management, Other - Ethics; Clock Hours: 3

Commissioner Senter questioned the information on Hawaii advertising rules included in the course packet. Senior Specialist Fujimura explained she informed the course author to include only the current Hawaii Administrative Rules in the course materials. To include the proposed rule changes would be confusing to the licensees taking the course.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Advertising Compliance Made Easy" as a 3 credit hour continuing education course, under the course categories Real Estate Law, Risk Management, Broker Management, Other – Ethics subject to inclusion of current rules relating to advertising.

Continuing Education Core Course – Addition to core course topics 2017 - 2018

SEO Fujitani reported that Senator Rosalyn Baker has expressed concern regarding client trust accounts and she, along with DCCA, have urged the Commission to include the client trust account topic in its education to raise awareness for all licensees.

Senior Specialist Fujimura suggested including client trust accounts as a core course topic for the 2017-18 Core Part A.

Marsha Shimizu of the Hawaii Association of REALTORS® informed the committee that HAR has a contract with the REC to do a seminar and will be submitting a proposal to produce a video on client trust accounts. As the rules for CTAs are clear and explicit the video will include information on what the rules are, how to set up a CTA and what the responsibilities are for principal brokers, brokers-in-charge, and associated licensees. The video will present three scenarios, relating to 1) borrowing funds, 2) commingling funds, 3) improper recording or tracking, and the possible ramifications for each. A proposal will be submitted to the Real Estate Commission.

Upon a motion by Commissioner Pang, second by Commissioner Arakaki, it was voted on and unanimously carried to include Client Trust Accounts as a topic in the 2017 – 2018 Core Course Part A.

Prelicensure Education: Evaluation and Education Program

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

- Seiler School of Real Estate (10)

Administration of Examinations:

PSI

Licensing Examination Statistics – October 2016

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

School Pass/Fail Rates – October 2016

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

School Summary by Test Category – October 2016

Copies of the October 2016 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 November 2016 Bulletin will be distributed shortly and a copy has been made available on the Commission's website: www.hawaii.gov/hirec.

Ad Hoc Committee on Education (ACE) – Report of 11/1/2016 meeting

The Ad Hoc Committee reviewed the current salesperson curriculum and provided recommendations for updating the information.

John Connelley and Carol Ball will review the hours devoted to each section of the curriculum based on their teaching of the salespersons' curriculum and report to the committee for consideration.

ACE recommended eliminating the handouts that accompany the curriculum as they need to be constantly updated. Instructors have been providing their own current information on the topics. The current handouts include, "Mortgage Terminology Defined", "Property Management Basics", "Anatomy of a Preliminary Title Report", "Condominium Documents for Buyer's Review", HARPTA/FIRPTA", and "Directory of Real Estate Designations".

The 60 hours for the current curriculum may be affected.

Upon a motion by Commissioner Pang, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve the report by the Ad Hoc Committee Education (ACE).

Next Meeting: Wednesday, December 7, 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 Cobb adjourned the meeting at 10:10 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

November 9, 2016

Date

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