

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: September 13, 2017

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
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
Aleta Klein, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hawaii Island 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
Carole Richelieu, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Dorothy Aquino, Recording Secretary

Others: James Stone Jr., Esq.
Marsha Shimizu, Hawai'i Association of REALTORS®
Aron Espinueva, Hawai'i Association of REALTORS®
Ethel Keyes, Hawai'i Association of REALTORS®
Harold Berman, The Berman Education Company, LLC

Absent: Aileen Wada, Vice Chair, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 10:29 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 Wada 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 Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the August 9, 2017 Education Review Committee meeting.

Commissioner Cobb took the agenda out of order to accommodate the applicants who are present to present their course.

Continuing Education: Administrative Issues

2017-2018 Continuing Education Providers and Courses Ratification List

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

<u>Registration/Certification</u>	<u>Effective Date</u>
Provider(s)	
American CE Institute, LLC	08/28/2017
Course(s)	
"Real Estate Negotiation Expert (RENE)", 12 credits CEC National, Realtors Association of Maui	08/01/2017
"The Purchase Reverse Mortgage", 3 credits CEC, American CE Institute, LLC	08/28/2017
"Managing a Multi-Generation Business", 6 credits CEC National, Hawaii Association of REALTORS	08/30/2017
"Show Me the Money: Compensation Planning", 6 credits, CEC National, Hawaii Association of REALTORS	08/30/2017
"Performance Leadership: Coach, Manage & Mentor", 6 credits, CEC National, Hawaii Association of REALTORS	08/30/2017

Real Estate Education Online System

Real Estate Specialist Gruppen explained to the Committee the RE Education Online System for CE Providers and Prelicense Schools was previously a paper-based renewal and reporting system. In the near future, renewals for schools and providers will be done electronically.

A notification will be sent to inform the provider they have not renewed for the next biennium and will be excluded from using the on-line system to add, delete, change, etc., for a specific course or class roster. They will not be able to credit a licensee for a course as of January 1, 2019 until their renewal is completed.

In the past, the online course did not automatically close and was left open to the providers to manipulate. With the new changes the provider has 10 days (January 1 – 10) to report any information on the online system. By January 11, if the provider has not submitted credit for the licensees, all courses will be closed. The providers will lose complete access to add, delete, change, etc., for a specific course. They will need to submit a Change/Addition Form, which the staff will manually input into the system.

Real Estate Specialist Grupen explained the licensee will not be given credit by a CE Provider or Prelicense School who is not registered by December 31, 2018. Everything they report to the Real Estate Branch is done via the online system and they will not have the ability to enter any information or report any class credits after the reregistration deadline.

Executive Officer Ino informed the Committee the online system is used by the provider to input all students who took a course to receive credit. Once the system shuts down they will no longer be able to input the student into the course roster whether it's a classroom or online course.

Real Estate Specialist Grupen explained the online system and online courses. The online system was developed to replace the paper course completion certificates and expedite education administration. The providers may access the system to set-up their courses and class rosters. The provider must electronically submit the roster via the online system for the licensee to receive credit. The internet courses are available during the entire biennium in the system. Once the provider prints the completion certificate within the system, it automatically gives the attendee course credit. In the future, to prevent any reporting issues, the provider has 10 days to report and on the 11th day of January, all internet courses will be closed. The providers will not have the ability to input students from January 11.

Commissioner Pang asked if the prelicense schools and continuing education providers will be notified if they haven't registered on time.

Real Estate Specialist Grupen commented that notifications will be sent also by email.

Senior Real Estate Specialist Fujimura brought up concerns Commissioner Klein had regarding the AVC as stated in her written list. Commissioner Arakaki recused himself from the discussion.

Executive Session: Upon a motion by Commissioner Arakaki, seconded by Commissioner Senter, it was voted on and unanimously carried to enter into executive session 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 Pang, seconded by Commissioner Faulkner, it was voted on and unanimously carried to move out of executive session.

The updates to the CE online system explained by Real Estate Specialist Grupen will resolve the issues previously brought up by Commissioner Klein. Providers who have not renewed their provider registration will not have access to the CE online system upon the expiration of their registration or 10 days following their last class completion of the biennium. Without access to the CE online system, providers who have not successfully reregistered will not be able to credit licensees for a course.

Applications

Course – "2017-2018 Hawaii Economic Forecast"; Author/Owner: Bryan P. Andaya; Provider: Eddie Flores Real Estate Continuing Education; Course Categories: Investment, Other - Economics; Clock Hours: 3 (Deferred from 8/9/17 ERC)

Commissioner Klein noted discrepancies on Page 5 and Page 22 regarding the unemployment rate. She suggested clarifying if the unemployment rate is the State's or Honolulu's employment rate.

Commissioner Pang questioned the course length for the course.

Senior Real Estate Specialist Fujimura will request the course length for the course.

Commissioner Klein and Commissioner Faulkner expressed concerns regarding grammatical errors throughout the course, and whether information in the course is based on Honolulu and/or Hawaii State statistics.

Commissioner Lee questioned the Days on Market (DOM) statistic and noted that the Realtor's Association of Maui (RAM) DOM is calculated differently from the Honolulu DOM.

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to defer the course application of "2017 – 2018 Hawaii Economic Forecast".

Course – "Purchase Contract 3.0"; Author/Owner: James M.K. Stone, Jr.; Provider: Hawaii Association of REALTORS®; Course Categories: Contracts, Real Estate Law, Risk Management; Clock Hours: 3

Mr. Stone was present to answer any questions the committee may have. Mr. Stone informed the Committee that "Purchase Contract 3.0" is the third course he has written. He noted the course is structured to build upon a foundation. The first chapter is to understand the basics of contracts, then the purchase contract, and the relationships between contract items. Mr. Stone will have the students engage in a small group exercise. At the end Mr. Stone provides an outline or checklist to increase understanding of a purchase contract.

Commissioner Klein stated the course is excellent and much needed.

Commissioner Faulkner appreciated the breakdown of terminology for reference.

Commissioner Lee asked Mr. Stone if he gives quizzes at the end of the class.

Mr. Stone responded quizzes are given at the beginning of class in groups. Mr. Stone stated the wrong answers are more instructive and the learning takes place "when we finally admit we don't know everything".

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Purchase Contract 3.0" as a three-credit hour continuing education course, under the course categories Contracts, Real Estate Law, Risk Management.

Course – "Taxation and Real Estate: Cover Your Ass 101"; Author/Owner: Harold Berman; Provider: The Berman Education Company LLC; Course Category: Other – Taxation; Clock Hours: 3

Mr. Berman was present to answer any questions the committee may have.

Commissioner Lee asked Mr. Berman if he'll be using any visuals or power point?

Mr. Berman responded every speaker has their own style of presentation and power point is a distraction. He stated he teaches extemporaneously and teaches by questions asked and answering the questions. Mr. Berman is basically relying on his verbal skills and 39 years of experience as a tax preparer.

Commissioner Lee commented the title of the course is not appropriate. Mr. Berman is open to a change in title.

Commissioner Pang questioned if the IRS tax forms will be reproduced and attached to the course. The forms were submitted with the course.

Commissioner Arakaki stated Asset Protection is a course by itself and suggested more focus on tax-related issues.

Commissioner Pang recommended keeping the "Cross-Contamination" discussion in the course. Mr. Berman agreed.

Commissioner Pang suggested a new title for the course, "Taxation and Real Estate: Cover Yourself".

Upon a motion by Commissioner Pang, seconded by Commissioner Klein, it was voted on and unanimously carried to approve "Taxation and Real Estate: Cover Your Ass 101" as a three-credit hour continuing education course, under the course category Other – Taxation, subject to suggested amendments.

Continuing Education Instructor Evaluation Project

Senior Real Estate Specialist Fujimura reported the new members of the Continuing Education Instructor Evaluation Project Committee. The Committee held an organization meeting on August 29, 2017.

Senior Real Estate Specialist Fujimura reported the CE Instructor Evaluation Project Committee began discussion on the evaluation process and a report was distributed to the Committee for their information.

Initial members of the Continuing Education Instructor Evaluation Project Committee:

Marsha Shimizu, Director – Member Services, Hawai'i Association of REALTORS®
Ethel Keyes, Manager – Member Services, Hawai'i Association of REALTORS®
Rowena Cobb, Chair, Education Review Committee, Kauai Commissioner
Beth Holiday, CE Provider and instructor, Hawaii Business Training
Kehaulani Costa, Hawaii Island REALTORS®

Upon a motion by Commissioner Faulkner, seconded by Commissioner Ginoza, it was voted on and unanimously carried to approve the current list of Continuing Education Instructor Evaluation Project members.

Prelicense Education: Applications

School – Maui Real Estate Academy LLC dba KW Island Living Real Estate School; Principal, Lisa Teichner; Salesperson curriculum

Upon a motion by Commissioner Pang seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve "Maui Real Estate Academy, LLC dba KW Island Living Real Estate School" as a Prelicense Education School.

Administration of Examinations:

PSI

Licensing Examination Statistics – August 2017

Examination statistics for August 2017 were distributed to the Commissioners for their information.

School Pass/Fail Rates – August 2017

School pass/fail rate statistics for August 2017 were distributed to the Commissioners for their information.

School Summary by Test Category – August 2017

Copies of the August 2017 test category summary reports, by school, were distributed to the Commissioners for their information.

Program of Work: Instructor's Development Workshop (IDW) – October 2-3, 2017

Senior Real Estate Specialist Fujimura informed the Committee there will be an Instructor's Development Workshop (IDW) held on October 2-3, 2017 sponsored by the REC and Hawai'i Association of REALTORS®. Flyers will be distributed and posted.

Ad Hoc Committee on Education (ACE) Report

Senior Real Estate Specialist Fujimura informed the Committee Core B development will begin at the next ACE meeting on October 19, 2017. ACE will continue updating the salesperson's prelicense curriculum.

A report was distributed to the Committee for their information.

Next Meeting: Wednesday, October 11, 2017
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.
Grove Farm Building Conference Room
3-1850 Kaumuali'i Highway
Lihue, HI 96766

Adjournment: With no further business to discuss, Chair Cobb adjourned the meeting at
12:06 p.m.

Reviewed and approved by:

Diane Choy Fujimura
Senior Real Estate Specialist

9/25/2017

Date

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

DCF:da