

School Files

Hawaii Real Estate Commission

October 2018

www.hawaii.gov/hirec

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IT'S RENEWAL YEAR!

CE Providers:

Towards the end of the biennium, please do a check of the courses you offered to make sure all have been submitted. There is a 10-day time frame to successfully submit all rosters for CE courses offered.

If you are offering online CE courses for the 2019-2020 biennium, submit the new CE online elective course application. **Submit the new CE online elective course application even if the online course is considered a recertification of a previously approved online course.** All online CE courses must be certified via the new CE online application. If the online course is the same as a live course that was certified by the Commission, you must submit the online course application as well as the CE elective course application for the live version of the course. ALL online CE courses are now required to include interactivity, whether it be quizzes, vocabulary exercises, true-false questions, etc. There is a minimum of five (5) assessment questions per clock hour of the online course. **ARELLO-certified courses may be recertified using the existing Nationally- or ARELLO-certified Continuing Education Course application. Just check the "Recertification" box at the top of the application.** The recertification fee for ARELLO-certified courses remains at \$25/3 credit hours or portion thereof.

Previously, there was just a checkbox at the end of the CE elective course application if the live course would also be offered online. No online course materials were required to be submitted, and no link to access the online course was required. Now that has changed with the new CE online course application.

Please submit the CE Provider reregistration application, and all CE elective course recertification applications by November 30, 2018. All current registrations and certifications are good through the end of 2018, but to ensure that the CE Provider and CE elective courses or national/ARELLO courses are good to go on January 1, 2019, the submission of the re-registration and re-certification applications should be by November 30, 2018.

If a CE course or CE Provider has not recertified or reregistered for one or more biennia, there is a restoration fee of \$10/biennium. For example, a CE course expired on 12/31/14. If the CE course is being recertified during the current biennium, 2017-2018, a restoration fee of \$20 should be added to the application fee, \$75 for a three-hour course. The restoration fee applies if the course has not been recertified by 12/31 of the prior biennium. The recertification fee for CE courses breaks down to \$25/credit hour. A three-hour CE course recertification fee is \$75.00. A four-hour CE course recertification fee is \$100.00, etc.

CORE COURSE 2017-2018, Parts A and B:

CE Providers currently offering the Commission's core course, Parts A, B, 2017-2018, do NOT have to recertify the core courses for January 1 – May 31, 2019. Both Core A and Core B, 2017-2018, are valid through May 31, 2019, live classroom and internet versions. The Core A and Core B "subjects" will be added to the CE Provider's subjects for 2019-2020.

Prelicense Schools:

Please submit the Prelicense School reregistration application, Prelicense Instructor recertification, and Guest Lecturer applications by November 30, 2018. All current registrations and certifications are good through the end of 2018, but to ensure that the Prelicense School and its Prelicense Instructors are good to go on January 1, 2019, the submission of the reregistration and recertification applications should be by November 30, 2018.

Instructor's Development Workshop:

REMEMBER: Pursuant to Hawaii Administrative Rules, §16-99-104, Criteria for certification of a continuing education instructor. (e) "The commission may require that each instructor complete an instructor's workshop as approved by the commission **prior to teaching in each biennium.**" (emphasis added) If an instructor, whether it be a prelicense instructor or continuing education instructor did not complete an IDW, as approved by the commission in the prior biennium, that instructor must complete a commission-approved IDW prior to teaching in the current biennium. Contact the Real Estate Branch for further information.



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September 2018

To: Principal Broker

All real estate licenses (active & inactive) expire on December 31, 2018. Licensees must renew their license and pay the licensing fees by **November 30, 2018** to ensure successful renewal before the license expiration date. Licenses that are not successfully renewed will be automatically forfeited as of January 1, 2019. A forfeited licensee is unlicensed and shall not engage in real estate activity, and cannot receive any compensation for real estate brokerage activity.

MyPVL (pvl.ehawaii.gov/mypvl):

What is MyPVL? MyPVL is a website which allows professional and vocational licensees access to all information regarding their license(s), including continuing education information and status, and license renewal. To access MyPVL, users will have to first create their own eHawaii.gov account. For more information on how to create your account, please visit the Real Estate Branch home page at www.hawaii.gov/hirec.

PRINCIPAL BROKERS (PBs), BROKERS IN CHARGE (BICs), BRANCH OFFICES (RBOs), AND BROKERAGE FIRMS RENEWALS:

By law, the PB is responsible for all the licenses of the brokerage firm. Using the "MyPVL" online service referenced above, the PB shall verify all associated licensees and initiate any corrections immediately. To assist in the process, you may link the entity license to your individual MyPVL account using the entities license number and the file number aka a BP ID number. (It is not required to link your license to the entity. However, for you to be able to view your associated licensees continuing education records, you must link the entity license to your individual MyPVL account). **The BP ID number will be reflected on the renewal postcard for your entity which will be mailed out on October 19, 2018.**

All other licensees are able to access their license information via MyPVL using their individual license number and the last four digits of their social security number.

It is highly recommended that **the licenses/registrations of the brokerage firm, PB, BICs, and RBOs be simultaneously renewed during early November** and prior to renewals of all associating licensees to ensure sufficient time to correct any problems and to ensure successful renewals of associating licensees. If an associating licensee renews prior to the PB's, BIC's, and brokerage firm's renewal, the associating licensee's renewal application will be held in suspense until the PB, BIC, and brokerage firm have successfully renewed all licenses.

PBs and BICs should complete all CE requirements immediately as a successful renewal includes completion of CE requirements prior to the submission of your renewal. To re-register a branch office, a BIC's license must also be successfully renewed in addition to the PB's license and the brokerage firm's license. If the PB's, BIC's, and/or the brokerage firm's licenses are not successfully renewed before December 31, 2018 and prior to the associating licensees, all associating licensees will be renewed on **inactive** status.

RENEWING ON ACTIVE STATUS: All individual licensees who renew their license on active status need to complete 20 hours of approved continuing education (CE) courses. Licensees are required to take the mandatory core course (totaling 6 hours) and elective courses (totaling 14 hours). The CE completion certificates do not have to be submitted unless otherwise instructed. Any individual licensee who does not complete the CE requirement will be renewed on an inactive status without further notice.

RENEWING ON INACTIVE STATUS: All individual licensees who renew their license on an inactive status do not have to complete the CE requirement but must renew and pay the renewal fees by November 30, 2018. An inactive licensee desiring to change to active status shall submit the original CE certificates with a completed Change Form and a reactivation fee.

NEW SALESPERSON IN 2018: If you were issued a new salesperson license in calendar year 2018 and renew your license by the renewal deadline of November 30, 2018, you will be deemed to have completed equivalent to the CE requirement and will not have to complete the CE requirement for this license renewal.

CANDIDATES FOR LICENSURE: Subject to compliance with the license application deadline, a candidate for licensure may want to consider being licensed as of January 1, 2019, rather than the remaining months of 2018 and be subject to renewal requirements. Please call the Real Estate Branch for additional information.

ONLINE RENEWALS: The online renewal system will be available for access beginning October 22, 2018. A renewal reminder card will be mailed to all licensees prior to the system becoming available. Renew online at:

pvl.ehawaii.gov/mypvl

If a licensee has a "YES" answer to any of the following questions, the online renewal system will not allow you to proceed with the online renewal:

- 1. In the past 2 years has your license in this state or any other jurisdiction been formally disciplined by way of a fine, suspension, restriction, or revocation?**
- 2. Are there any disciplinary actions pending against you in this state or any other jurisdiction?**
- 3. In the past 2 years have you been convicted of a crime in which the conviction has not been annulled or expunged?**

Licensees answering "YES" to any of the questions above will not be able to renew online. The system will prompt the licensee to print the renewal application which must then be **mailed** together with the supporting documentation to the Professional and Vocational Licensing Branch at P. O. Box 3469, Honolulu, HI 96801.



BROKER EXPERIENCE CERTIFICATE

There have been numerous instances where a real estate broker candidate FAILS to timely file for and receive the Broker Experience Certificate (“BE”) prior to sitting for the Hawaii broker licensing exam. Sometimes they take the entire Hawaii real estate broker licensing exam WITHOUT the BE, or they may sit for the National portion of the exam without the BE, but apply for and receive the BE prior to sitting for the Hawaii State portion of the broker licensing exam.

There are several Hawaii Administrative Rules (“HAR”) that directly impact these instances, with the resulting voiding of the applicant’s test score(s) and rejection of the license application.

HAR §16-99-19 states, “License applications. (a) All applications for a real estate salesperson or broker license shall be accompanied by: . . . (2) Supporting documents to satisfy the applicable education and experience requirements: Applications not accompanied by supporting documents shall be rejected. In the event an applicant has not satisfied the applicable education and experience requirements, the applicant’s examination score shall be declared void and the license application rejected.”

HAR §16-99-19.2(f), states, “If the applicant has satisfied the three-year full-time experience requirement, the commission shall issue to the applicant an experience certificate that shall be valid for two years from the date of issuance. The experience certificate shall be produced at the applicant’s examination appointment and submitted with the applicant’s application for individual broker license.”

HAR §16-99-29(g), states, “At the location for examination, all candidates for salesperson or broker examination shall present a current real estate school completion certificate or current education equivalency certificate. Candidates for broker examination also shall present a current experience certificate at the examination location.”

Prelicense instructors should clearly emphasize that broker candidates apply for and receive the BE prior to sitting for the broker licensing exam. This will save time, money, and frustration on the candidates’ side, and will diminish the emotional responses by candidates when dealing with the Real Estate Branch staff who is the bearer of bad news.



PRELICENSING SCHOOL CANDIDATES WITH A QUESTIONABLE BACKGROUND ISSUE

The Commission requests the assistance and cooperation of all the Prelicensing Schools and Instructors concerning prelicensing school candidates with a questionable background issue.

Over the years, the Commission has received an increasing number of licensing applicants with questionable background issues that included criminal convictions (felony, misdemeanor, or court martial) or any civil/administrative/government actions, including DUIs, drug/alcohol issues, abuse situations, tax liens, unpaid tax obligations, judgments, unpaid judgments, disciplinary action (for another licensing area or from another state or country), serving parole or probation, violations of administrative laws/court orders/government sanctions, etc. Although a good number have been granted licenses or conditional licenses, a good number of these applicants have been **denied licenses**. The denied applicants have futilely spent monies for the prelicensing school, exam, and application, in addition to expending time on attending classes, studying, and taking the exam.

With the exception of a few, most of these applicants did not know that they could have secured a non-binding Preliminary Decision prior to any financial obligation for the prelicensing class. Some applicants stated that the prelicensing school alerted them about the possibility of license denial for their questionable background issue, the Request for Preliminary Decision application, distributed the Commission's memorandum, and/or to call the Real Estate Branch for assistance, while other prelicensing schools did not.

In 1999, a new law gave authority to the Commission to provide a non-binding Preliminary Decision to an applicant with a questionable background issue prior to enrollment in a prelicensing school. The Commission issued a Policy Memorandum on this issue for the prelicensing schools to distribute to candidates prior to enrollment. The Administrative Rules require the prelicensing school to assist the Commission in its efforts to regulate the practices of brokers and salespersons.

Hawaii Revised Statutes (HRS) Section 467-8(b), states, "Prior to submitting to prelicensing education or examination requirements, an individual candidate may request that the commission consider a preliminary decision as to whether the individual candidate for a real estate license will be denied a real estate license pursuant to section 467-8(a)(3). The individual candidate shall submit a completed application, all information requested by the commission, and the nonrefundable application fee The preliminary decision shall provide advisory guidance, shall not be construed as binding, and shall not be subject to appeal. The individual candidate seeking a preliminary decision shall not be considered an applicant for licensure. A preliminary decision that is unfavorable to the individual shall not prevent the individual from submitting a complete license application and fees after successful completion of the prelicensing requirements."

Upon receipt of an application for Request for Preliminary Decision, the application is reviewed on a case by case basis by the Commission at its monthly meeting. Prior to inclusion on the Commission's meeting agenda, the Real Estate Branch staff gathers all pertinent documentation from the applicant to support and explain the "yes" answer(s). The applicant is invited to appear before the Commission to answer questions the Commissioners may have and/or to make a statement. The Commission then decides either favorably, unfavorably, or defers. Although a non-binding decision and subject to further review upon receipt of the license application, it should give the candidate a fair indication as to how the Commission may vote on the license application.

Lastly, the worst act by an applicant for licensure would be to answer the questions in the application falsely or basically lie. With the electronic age of the internet, the open records law by federal, state, and county governments, the various private services, and the government agencies sharing information, access to background information on individuals and entities is much easier. In summary, Section 467-20, HRS, states that any false statement would be subject to administrative sanctions and constitute a misdemeanor.



PSI NATIONAL EXAMS UPDATED



June 26, 2018

Effective November 1, 2018, the National Real Estate Broker and Salesperson Examinations will be updated.

PSI's validation study included a national job analysis survey completed by over 2,100 licensees and a series of on-site and webinar reviews by 62 expert panelists. Real estate professionals were fully represented from all 50 states and the District of Columbia. The results served as a basis for updating the test content specifications, developing new items, and reviewing the entire item bank to ensure relevance to Brokers and Salespersons nationwide.

The revised test content outlines are summarized in the table below, with the current outlines shown for comparison. As seen in the summary table, the expert committee recommended slight changes in the coverage of certain topic areas. Also note that Topic "Property Condition and Disclosures" was renamed "Property Disclosures" and Topic "Specialty Areas" was replaced with "Leasing and Property Management." The cut scores for the new exams will remain at 70% for Salesperson and 75% for Broker.

National Real Estate Examination Topic Areas*		Salesperson		Broker	
		2018	2013	2018	2013
I.	Property Ownership	8%	9%	10%	8%
II.	Land Use Controls and Regulations	5%	6%	5%	6%
III.	Valuation and Market Analysis	7%	10%	7%	7%
IV.	Financing	10%	8%	8%	9%
V.	General Principles of Agency	13%	13%	11%	14%
VI.	Property Disclosures (<i>Property Condition and Disclosures</i>)	6%	10%	7%	11%
VII.	Contracts	17%	14%	18%	15%
VIII.	Leasing and Property Management (<i>Specialty Areas</i>)	3%	2%	5%	4%
IX.	Transfer of Title	8%	6%	7%	6%
X.	Practice of Real Estate	13%	15%	14%	15%
XI.	Real Estate Calculations	10%	7%	8%	5%

*Current topic area name is shown in parentheses if changed in the new exam.



ENHANCEMENTS TO PSI'S NATIONAL REAL ESTATE EXAMINATIONS

PSI's new National Real Estate Salesperson and Broker examinations include several noteworthy enhancements. One is an increased emphasis on items that require application and analysis of knowledge for Salesperson examination. Application items were recommended to be increased to 59% of the Salesperson examination, as compared to 53% from 2013 study. Another is the introduction of a higher level of cognitive processing, *Evaluation and Synthesis*, for Broker examination, which requires candidates to integrate and evaluate complex information to formulate and specify a course of action and evaluate a conclusion or outcome. The following table summarizes the cognitive levels and percentage allocated to each level for the Salesperson and Broker exams.

Cognitive Levels and Weightings

Recall/Recognition (*Salesperson: 41%; Broker: 14%*): The ability to identify, recall or recognize terms, facts, methods, procedures, basic concepts, principles and processes.

Application/Analysis: (*Salesperson: 59%; Broker: 50%*): The ability to apply concepts and principles to situations to identify solutions; calculate solutions to mathematical problems; interpret charts and graphic data; classify items; and interpret information.

Evaluation/Synthesis: (*Broker: 36%*): The ability to integrate and evaluate complex information from a series of events or circumstances, formulate and specify a course of action, and evaluate a conclusion or outcome.

To assess the Evaluation/Synthesis cognitive level on the Broker exam, a new type of test item was developed. These scenario-based items utilize a multiple-choice format and incorporate multi-point scoring. An example is shown below. These items are associated with scenarios presented in the form of text, graphs, or tables representing a situation in which candidates must identify the best course of action by selecting only one option. Each option is weighted as zero-points, one-point, or two-points based on the completeness and accuracy of the solution.

Example of New Broker Item Type

Scenario – Describes the encounter, event, or task that involves the appropriate application of one or more competencies to be assessed. Includes the setting, history (if appropriate), and the issue/problem.

Item – An evaluation or synthesis level question is presented. It must have a higher cognitive level than recall or application. Example: present various pieces of information and ask candidate to identify the best course of action.

Option – Includes at least five options but ONLY ONE option shall be selected and considered as the BEST ANSWER

- Two-point option: full resolution with optimal and complete solution, best action to take, or required behaviors
- One-point option(s): partial resolution with appropriate but not optimal behaviors
- Zero-point option(s): neutral, irrelevant, incorrect, or harmful resolution or behaviors

The new Salesperson examination is comprised of 80 one-point multiple-choice items and the Broker examination includes 70 one-point multiple-choice items and five two-point multiple-choice items.



NATIONAL REAL ESTATE EXAMINATION CONTENT SPECIFICATIONS

- I. **Property ownership (Salesperson 8%; Broker 10%)**
 - A. **Real versus personal property; conveyances**
 - B. **Land characteristics and legal descriptions**
 1. Types of legal descriptions; Metes and bounds, Lot and block, government survey
 2. Measuring structures
 3. Livable, rentable, and usable area
 4. Land Measurement
 5. Mineral, air, and water rights
 - C. **Encumbrances and effects on property ownership**
 1. Liens
 2. Easements and licenses
 3. Encroachments
 4. Other potential encumbrances of title
 - D. **Types of ownership**
 1. Tenants in common
 2. Joint tenancy
 3. Common- interest ownership
 - a) Timeshares
 - b) Condominiums
 - c) Co-ops
 4. Ownership in severalty/sole ownership
 5. Life Estate ownership
 6. Property ownership held in trust (*BROKER ONLY*)

- II. **Land use controls and regulations (Salesperson 5%; Broker 5%)**
 - A. **Government rights in land**
 - 1. Property taxes and special assessments
 - 2. Eminent domain, condemnation, escheat
 - B. **Government controls**
 - 1. Zoning and master plans
 - 2. Building codes
 - 3. Regulation of special land types
 - a) Flood zones
 - b) Wet lands
 - 4. Regulation of environmental hazards
 - a) Types of hazards
 - b) Abatement and mitigation
 - c) Restrictions on contaminated property
 - C. **Private controls**
 - 1. Deed conditions or restrictions
 - 2. Covenants, conditions, and restrictions (CC&Rs)
 - 3. Homeowners association regulations
- III. **Valuation and market analysis (Salesperson 7%; Broker 7%)**
 - A. **Appraisals**
 - 1. Purpose and use of appraisals for valuation
 - 2. General steps in appraisal process
 - 3. Situations requiring appraisal by certified appraiser
 - B. **Estimating Value**
 - 1. Effect of economic principles and property characteristics
 - 2. Sales or market comparison approach
 - 3. Cost approach
 - 4. Income analysis approach
 - C. **Competitive/Comparative Market Analysis**
 - 1. Selecting comparables
 - 2. Adjusting comparables
- IV. **Financing (Salesperson 10%; Broker 8%)**
 - A. **Basic concepts and terminology**
 - 1. Points
 - 2. LTV
 - 3. PMI
 - 4. Interest
 - 5. PITI
 - 6. Financing instruments (mortgage, promissory note, etc.)
 - B. **Types of loans**
 - 1. Conventional loans
 - 2. FHA Insured loans
 - 3. VA guaranteed loans
 - 4. USDA/rural loan programs
 - 5. Amortized loans
 - 6. Adjustable-rate mortgage loans
 - 7. Bridge loans
 - 8. Owner financing (installment and land contract/contract for deed)

- C. **Financing and lending**
 - 1. Lending process application through closing
 - 2. Financing and credit laws and rules
 - a) Truth in lending
 - b) RESPA
 - c) Equal Credit Opportunity
 - d) CFPB/TRID rules on financing and risky loan features
 - 3. Underwriting
 - a) Debt ratios
 - b) Credit scoring
 - c) Credit history

- V. **General principles of agency (Salesperson 13%; Broker 11%)**
 - A. **Agency and non-agency relationships**
 - 1. Types of agents and agencies
 - 2. Other brokerage relationships (non-agents)
 - a) Transactional
 - b) Facilitators
 - B. **Agent's duties to clients**
 - 1. Fiduciary responsibilities
 - 2. Traditional agency duties (COALD)
 - 3. Powers of attorney and other delegation of authority
 - C. **Creation of agency and non-agency agreements; disclosure of conflict of interest**
 - 1. Agency and agency agreements
 - a) Key elements of different types of listing contracts
 - b) Key elements of buyer brokerage/tenant representation contracts
 - 2. Disclosure when acting as principal or other conflict of interest
 - D. **Responsibilities of agent to customers and third parties, including disclosure, honesty, integrity, accounting for money**
 - E. **Termination of agency**
 - 1. Expiration
 - 2. Completion/performance
 - 3. Termination by force of law
 - 4. Destruction of property/death of principal
 - 5. Mutual agreement

- VI. **Property disclosures (Salesperson 6%; Broker 7%)**
 - A. **Property condition**
 - 1. Property condition that may warrant inspections and surveys
 - 2. Proposed uses or changes in uses that should trigger inquiry about public or private land use controls
 - B. **Environmental issues requiring disclosure**
 - C. **Government disclosure requirements (LEAD)**
 - D. **Material facts and defect disclosure**

- VII. Contracts (Salesperson 17%; Broker 18%)**
 - A. General knowledge of contract law**
 1. Requirements for validity
 2. Factors affecting enforceability of contracts
 3. Void, voidable, unenforceable contracts
 4. Rights and obligations of parties to a contract
 5. Executory and executed contracts
 6. Notice, delivery and acceptance of contracts
 7. Breach of contract and remedies for breach
 8. Termination, rescission and cancellation of contracts
 9. Electronic signature and paperless transactions
 10. Bilateral vs. unilateral contracts (option agreements)
 - B. Contract Clauses, including amendments and addenda**
 - C. Offers/purchase agreements**
 1. General requirements
 2. When offer becomes binding
 3. Contingencies
 4. Time is of the essence
 - D. Counteroffers/multiple offers**
 1. Counteroffers
 2. Multiple offers
- VIII. Leasing and Property Management (Salesperson 3%; Broker 5%)**
 - A. Basic concepts/duties of property management**
 - B. Lease Agreements**
 1. Types of leases, e.g., percentage, gross, net, ground
 2. Key elements and provisions of lease agreements
 - C. Landlord and tenant rights and obligations**
 - D. Property manager's fiduciary responsibilities**
 - E. ADA and Fair Housing compliance in property management**
 - F. Setting rents and lease rates (BROKER ONLY)**
- IX. Transfer of Title (Salesperson 8%; Broker 7%)**
 - A. Title Insurance**
 1. What is insured against
 2. Title searches, title abstracts, chain of title
 3. Marketable vs insurable title
 4. Potential title problems and resolution
 5. Cloud on title, suit to quiet title (*BROKER ONLY*)
 - B. Deeds**
 1. Purpose of deed, when title passes
 2. Types of deeds and when used
 3. Essential elements of deeds
 4. Importance of recording
 - C. Escrow or closing; tax aspects of transferring title to real property**
 1. Responsibilities of escrow agent
 2. Prorated items
 3. Closing statements/TRID disclosures
 4. Estimating closing costs
 5. Property and income taxes
 - D. Special processes**
 1. Foreclosure
 2. Short sale

- E. **Warranties**
 - 1. Purpose of home or construction warranty programs
 - 2. Scope of home or construction warranty programs
- X. **Practice of real estate (Salesperson 13%; Broker 14%)**
 - A. **Trust/escrow accounts**
 - 1. Purpose and definition of trust accounts, including monies held in trust accounts
 - 2. Responsibility for trust monies, including commingling/conversion
 - B. **Federal fair housing laws and the ADA**
 - 1. Protected classes
 - 2. Prohibited conduct (red-lining, blockbusting, steering)
 - 3. Americans with Disabilities (ADA)
 - 4. Exemptions
 - C. **Advertising and technology**
 - 1. Advertising practices
 - a) Truth in advertising
 - b) Fair housing issues in advertising
 - 2. Use of technology
 - a) Requirements for confidential information
 - b) Do-Not-Call List
 - D. **Licensee and responsibilities**
 - 1. Employee
 - 2. Independent Contractor
 - 3. Due diligence for real estate transactions
 - 4. Supervisory responsibilities (*BROKER ONLY*)
 - a) Licensees
 - b) Unlicensed personnel
 - E. **Antitrust laws**
 - 1. Antitrust laws and purpose
 - 2. Antitrust violations in real estate
- XI. **Real estate calculations (Salesperson 10%; Broker 8%)**
 - A. **Basic math concepts**
 - 1. Loan-to-value ratios
 - 2. Discount points
 - 3. Equity
 - 4. Down payment/amount to be financed
 - B. **Calculations for transactions**
 - 1. Property tax calculations
 - 2. Prorations
 - 3. Commission and commission splits
 - 4. Seller's proceeds of sale
 - 5. Buyer funds needed at closing
 - 6. Transfer fee/conveyance tax/revenue stamps
 - 7. PITI (Principal, Interest, Taxes and Insurance) payments
 - C. **Calculations for valuation, rate of return (*BROKER ONLY*)**
 - 1. Net operating income
 - 2. Depreciation
 - 3. Capitalization rate
 - 4. Gross Rent and gross income multipliers



REAL ESTATE BRANCH STAFF UPDATES

Here are some faces and names that have joined the Real Estate Branch staff.

Carole Richelieu



Senior Condominium Specialist. She joined REB in June 2016. With the demise of Hawaii Revised Statutes, Chapter 514A being effective 1/1/19, and the new rules for Condominiums, Carole and the REB condominium staff are very busy.

Dorothy Aquino



Dorothy is the real estate section's office assistant and the former condominium associations registration clerk. She became the real estate office assistant in October 2016.

Torrie-ann Primacio



Torrie became the condominium registration clerk in January 2017. With the repeal of Chapter 514A effective 1/1/19, she has her hands full dealing with people converting to Chapter 514B registrations.

Kristen Kekoa-Nakasone



Kristen joined the REB as its secretary in May 2016. She is a true secretary and an organizer of in-office and out-of-the-office activities.

Carleen Weisbarth-Jose



Carleen is the Real Estate Recovery Fund Clerk and also assists with processing of Change Forms for the Real Estate Branch. She joined REB in this capacity in December 2017.

Cheryl Cazinha



Cheryl is the licensing clerk for REB. She efficiently processes real estate applications and assists Licensing Branch in other matters. She joined REB in August 2016, and is a welcome addition, as processing times have greatly improved with applications that are directly handled by Cheryl and the Real Estate Branch.

Elmay Gombio



Elmay is the condominium associations registration clerk, effective December 2017. Condominium registration occurs every odd-numbered year. Elmay was formerly with Licensing Branch, Professional and Vocational Licensing Division. She is happy to be part of the Real Estate Branch team.

Charisa Flores



Charisa is the Education Office Assistant and handles continuing education and prelicense records, applications, and inquiries. She took over the Education Office Assistant position in October 2017. Got an education-related question? Charisa can help!

[Photos by Dathan Choy, Condominium Specialist, Real Estate Branch]



PASS-FAIL RATES ONE YEAR ROLLING AND JULY – SEPTEMBER 2018 STATS

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 1

Test Date: 09/01/17 - 08/31/18
Test Name: HI Real Estate Broker
Component: HI Real Estate Broker - National ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1166	Abe Lee Seminars (Online)	20	12	8	60.00
1151	Akahi Real Estate Network, LLC	12	7	5	58.33
1178	American Dream Real Estate School	3	3	0	100.00
1180	Bly School of Real Estate (Classroom)	34	19	15	55.88
1153	Carol Ball School of Real Estate (Classroom)	17	16	1	94.12
1154	Coldwell Banker Pacific Properties, Real Estate School	9	7	2	77.78
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	2	2	0	100.00
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	9	9	0	100.00
8888	Pre-License and Uniform Equivalency	3	3	0	100.00
7777	Pre-License Equivalency Only	6	3	3	50.00
1168	ProSchools, Inc.(Online)	22	16	6	72.73
1161	Ralph Foulger's School of Real Estate (Classroom)	8	6	2	75.00
1162	REMI School of Real Estate (Classroom)	1	1	0	100.00
1169	REMI School of Real Estate (Online)	23	12	11	52.17
1170	Seiler School of Real Estate (Online)	1	1	0	100.00
1183	The CE Shop, Inc.	1	1	0	100.00
1165	Vitousek RE Schools, Inc (Classroom)	5	1	4	20.00
1171	Vitousek RE Schools, Inc (Online)	2	2	0	100.00
		179	121	58	67.60

HAWAII REAL ESTATE SCHOOL SUMMARY

Test Date: 09/01/17 - 08/31/18
 Test Name: HI Real Estate Broker
 Component: HI Real Estate Broker - State ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1150	Abe Lee Seminars (Classroom)	1	1	0	100.00
1166	Abe Lee Seminars (Online)	26	7	19	26.92
1151	Akahi Real Estate Network, LLC	12	6	6	50.00
1152	All Islands Real Estate School	2	2	0	100.00
1178	American Dream Real Estate School	4	2	2	50.00
1180	Bly School of Real Estate (Classroom)	38	25	13	65.79
1153	Carol Ball School of Real Estate (Classroom)	18	13	5	72.22
1174	Carol Ball School of Real Estate (Online)	2	2	0	100.00
1154	Coldwell Banker Pacific Properties, Real Estate School	9	5	4	55.56
1177	Continuing Ed Express LLC	1	0	1	0.00
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	4	0	4	0.00
1175	Inet Realty	2	0	2	0.00
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	3	1	2	33.33
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	10	8	2	80.00
8888	Pre-License and Uniform Equivalency	32	11	21	34.38
7777	Pre-License Equivalency Only	22	7	15	31.82
1168	ProSchools, Inc.(Online)	26	16	10	61.54
1161	Ralph Foulger's School of Real Estate (Classroom)	9	2	7	22.22
1162	REMI School of Real Estate (Classroom)	1	1	0	100.00
1169	REMI School of Real Estate (Online)	29	6	23	20.69
1170	Seiler School of Real Estate (Online)	3	1	2	33.33
1183	The CE Shop, Inc.	3	2	1	66.67
5555	Uniform Equivalency Only	5	3	2	60.00
1165	Vitousek RE Schools, Inc (Classroom)	11	2	9	18.18
1171	Vitousek RE Schools, Inc (Online)	6	2	4	33.33
		279	125	154	44.80

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 3

Test Date: 09/01/17 - 08/31/18
 Test Name: HI Real Estate Salesperson
 Component: HI Real Estate Salesperson - National ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1150	Abe Lee Seminars (Classroom)	341	170	171	49.85
1166	Abe Lee Seminars (Online)	230	133	97	57.83
1151	Akahi Real Estate Network, LLC	56	35	21	62.50
1152	All Islands Real Estate School	76	44	32	57.89
1180	Bly School of Real Estate (Classroom)	62	27	35	43.55
1153	Carol Ball School of Real Estate (Classroom)	83	65	18	78.31
1174	Carol Ball School of Real Estate (Online)	13	11	2	84.62
1154	Coldwell Banker Pacific Properties, Real Estate School	99	44	55	44.44
1177	Continuing Ed Express LLC	8	8	0	100.00
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1156	Fahrni School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1182	Hawaii Real Estate Academy (Classroom)	25	14	11	56.00
1175	Inet Realty	136	68	68	50.00
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	11	9	2	81.82
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	27	19	8	70.37
8888	Pre-License and Uniform Equivalency	23	9	14	39.13
7777	Pre-License Equivalency Only	32	28	4	87.50
1168	ProSchools, Inc.(Online)	122	90	32	73.77
1161	Ralph Foulger's School of Real Estate (Classroom)	36	9	27	25.00
1173	Ralph Foulger's School of Real Estate (Online)	2	1	1	50.00
1162	REMI School of Real Estate (Classroom)	1	1	0	100.00
1169	REMI School of Real Estate (Online)	107	71	36	66.36
1170	Seiler School of Real Estate (Online)	28	23	5	82.14
1183	The CE Shop, Inc.	11	8	3	72.73
5555	Uniform Equivalency Only	6	4	2	66.67
1165	Vitousek RE Schools, Inc (Classroom)	26	16	10	61.54
1171	Vitousek RE Schools, Inc (Online)	15	8	7	53.33
		1578	915	663	57.98

HAWAII REAL ESTATE SCHOOL SUMMARY

Test Date: 09/01/17 - 08/31/18
 Test Name: HI Real Estate Salesperson
 Component: HI Real Estate Salesperson - State ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1150	Abe Lee Seminars (Classroom)	373	210	163	56.30
1166	Abe Lee Seminars (Online)	259	152	107	58.69
1151	Akahi Real Estate Network, LLC	67	30	37	44.78
1152	All Islands Real Estate School	93	41	52	44.09
1178	American Dream Real Estate School	1	0	1	0.00
1180	Bly School of Real Estate (Classroom)	69	41	28	59.42
1181	Bly School of Real Estate (Online)	1	0	1	0.00
1153	Carol Ball School of Real Estate (Classroom)	93	52	41	55.91
1174	Carol Ball School of Real Estate (Online)	16	9	7	56.25
1154	Coldwell Banker Pacific Properties, Real Estate School	117	37	80	31.62
1177	Continuing Ed Express LLC	10	3	7	30.00
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1156	Fahmi School of Real Estate (Did not renew for 2017-2018 biennium)	1	1	0	100.00
1182	Hawaii Real Estate Academy (Classroom)	28	8	20	28.57
1175	Inet Realty	152	61	91	40.13
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	14	8	6	57.14
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	27	12	15	44.44
8888	Pre-License and Uniform Equivalency	76	24	52	31.58
7777	Pre-License Equivalency Only	56	30	26	53.57
1168	ProSchools, Inc.(Online)	149	67	82	44.97
1161	Ralph Foulger's School of Real Estate (Classroom)	45	9	36	20.00
1173	Ralph Foulger's School of Real Estate (Online)	2	1	1	50.00
1162	REMI School of Real Estate (Classroom)	1	0	1	0.00
1169	REMI School of Real Estate (Online)	134	42	92	31.34
1170	Seiler School of Real Estate (Online)	33	20	13	60.61
1183	The CE Shop, Inc.	11	2	9	18.18
5555	Uniform Equivalency Only	11	3	8	27.27
1165	Vitousek RE Schools, Inc (Classroom)	27	6	21	22.22
1171	Vitousek RE Schools, Inc (Online)	18	6	12	33.33
		1885	875	1010	46.42

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 1

Test Date: 07/01/18 - 09/30/18
 Test Name: HI Real Estate Broker
 Component: HI Real Estate Broker - National ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1166	Abe Lee Seminars (Online)	2	1	1	50.00
1151	Akahi Real Estate Network, LLC	9	5	4	55.56
1178	American Dream Real Estate School	1	0	1	0.00
1180	Bly School of Real Estate (Classroom)	9	6	3	66.67
1153	Carol Ball School of Real Estate (Classroom)	2	1	1	50.00
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	1	1	0	100.00
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	7	6	1	85.71
8888	<i>Pre-License and Uniform Equivalency</i>	2	1	1	50.00
1168	ProSchools, Inc.(Online)	4	3	1	75.00
1161	Ralph Foulger's School of Real Estate (Classroom)	8	6	2	75.00
1169	REMI School of Real Estate (Online)	5	3	2	60.00
1170	Seiler School of Real Estate (Online)	1	1	0	100.00
1183	The CE Shop, Inc.	1	1	0	100.00
1171	Vitousek RE Schools, Inc (Online)	1	1	0	100.00
		54	36	18	66.67

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 2

Test Date: 07/01/18 - 09/30/18
 Test Name: HI Real Estate Broker
 Component: HI Real Estate Broker - State ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1166	Abe Lee Seminars (Online)	3	0	3	0.00
1151	Akahi Real Estate Network, LLC	9	6	3	66.67
1178	American Dream Real Estate School	1	0	1	0.00
1180	Bly School of Real Estate (Classroom)	10	8	2	80.00
1153	Carol Ball School of Real Estate (Classroom)	2	2	0	100.00
1174	Carol Ball School of Real Estate (Online)	1	1	0	100.00
1155	Dower School of Real Estate (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	1	0	1	0.00
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	7	6	1	85.71
8888	Pre-License and Uniform Equivalency	8	5	3	62.50
7777	Pre-License Equivalency Only	6	0	6	0.00
1168	ProSchools, Inc.(Online)	5	4	1	80.00
1161	Ralph Foulger's School of Real Estate (Classroom)	8	1	7	12.50
1169	REMI School of Real Estate (Online)	5	2	3	40.00
1170	Seiler School of Real Estate (Online)	1	1	0	100.00
1183	The CE Shop, Inc.	2	1	1	50.00
5555	Uniform Equivalency Only	1	1	0	100.00
1165	Vitousek RE Schools, Inc (Classroom)	1	1	0	100.00
1171	Vitousek RE Schools, Inc (Online)	3	1	2	33.33
		75	40	35	53.33

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 3

Test Date: 07/01/18 - 09/30/18
 Test Name: HI Real Estate Salesperson
 Component: HI Real Estate Salesperson - National ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1150	Abe Lee Seminars (Classroom)	100	55	45	55.00
1166	Abe Lee Seminars (Online)	50	33	17	66.00
1151	Akahi Real Estate Network, LLC	3	1	2	33.33
1152	All Islands Real Estate School	20	12	8	60.00
1180	Bly School of Real Estate (Classroom)	22	12	10	54.55
1153	Carol Ball School of Real Estate (Classroom)	18	13	5	72.22
1174	Carol Ball School of Real Estate (Online)	3	2	1	66.67
1154	Coldwell Banker Pacific Properties, Real Estate School	19	9	10	47.37
1177	Continuing Ed Express LLC	5	4	1	80.00
1182	Hawaii Real Estate Academy (Classroom)	8	6	2	75.00
1175	Inet Realty	47	27	20	57.45
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	4	3	1	75.00
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	21	18	3	85.71
8888	Pre-License and Uniform Equivalency	5	3	2	60.00
7777	Pre-License Equivalency Only	2	1	1	50.00
1168	ProSchools, Inc.(Online)	20	13	7	65.00
1161	Ralph Foulger's School of Real Estate (Classroom)	3	1	2	33.33
1169	REMI School of Real Estate (Online)	21	12	9	57.14
1170	Seiler School of Real Estate (Online)	6	5	1	83.33
1183	The CE Shop, Inc.	9	7	2	77.78
5555	Uniform Equivalency Only	2	1	1	50.00
1165	Vitousek RE Schools, Inc (Classroom)	8	6	2	75.00
1171	Vitousek RE Schools, Inc (Online)	3	1	2	33.33
		399	245	154	61.40

HAWAII REAL ESTATE SCHOOL SUMMARY

Page: 4

Test Date: 07/01/18 - 09/30/18
 Test Name: HI Real Estate Salesperson
 Component: HI Real Estate Salesperson - State ORIGINAL

School Code	School Name	Tested	Passed	Failed	% Passed
1150	Abe Lee Seminars (Classroom)	105	64	41	60.95
1166	Abe Lee Seminars (Online)	56	41	15	73.21
1151	Akahi Real Estate Network, LLC	3	1	2	33.33
1152	All Islands Real Estate School	20	13	7	65.00
1180	Bly School of Real Estate (Classroom)	22	15	7	68.18
1181	Bly School of Real Estate (Online)	1	0	1	0.00
1153	Carol Ball School of Real Estate (Classroom)	20	10	10	50.00
1174	Carol Ball School of Real Estate (Online)	3	2	1	66.67
1154	Coldwell Banker Pacific Properties, Real Estate School	20	5	15	25.00
1177	Continuing Ed Express LLC	5	0	5	0.00
1182	Hawaii Real Estate Academy (Classroom)	9	3	6	33.33
1175	Inet Realty	52	19	33	36.54
1159	Maui Community College-VITEC (Did not renew for 2017-2018 biennium)	6	3	3	50.00
1184	OnCourse Learning Corp. dba OnCourse Learning Real Estate	22	15	7	68.18
8888	Pre-License and Uniform Equivalency	18	7	11	38.89
7777	Pre-License Equivalency Only	5	3	2	60.00
1168	ProSchools, Inc.(Online)	24	10	14	41.67
1161	Ralph Foulger's School of Real Estate (Classroom)	6	0	6	0.00
1169	REMI School of Real Estate (Online)	27	8	19	29.63
1170	Seiler School of Real Estate (Online)	6	4	2	66.67
1183	The CE Shop, Inc.	9	0	9	0.00
5555	Uniform Equivalency Only	3	1	2	33.33
1165	Vitousek RE Schools, Inc (Classroom)	9	2	7	22.22
1171	Vitousek RE Schools, Inc (Online)	3	0	3	0.00
		454	226	228	49.78

CONTINUING EDUCATION PROVIDERS

Abe Lee Seminars
All Islands Real Estate School
American Dream Real Estate School, LLC
Asentiv Hawaii
At Your Pace Online, LLC
The Berman Education Company, LLC
Bly School of Real Estate
Building Industries Association of Hawaii
Carol Ball School of Real Estate
The CE Shop, Inc.
CMPS Institute, LLC
Coldwell Banker Pacific Properties Real Estate School
Continuing Ed Express, LLC
The Council of Residential Specialists
Dexterity CE, LLC
Eddie Flores Real Estate Continuing Education
Hawaii Association of Realtors
Hawaii Business Training
Hawaii CCIM Chapter
Hawaii First Realty, LLC
Hawaii Island Realtors
Ho'akea LLC dba Ku'iwalu
Honolulu Board of Realtors
Institute of Real Estate Management Hawaii Chapter #34
International Association of Certified Home Inspectors (InterNACHI)
International Council of Shopping Centers, Inc.
Investment Property Exchange Services Inc.
Kauai Board of Realtors
McKissock, LP
Shari S. Motooka-Higa
OnCourse Learning Corporation, dba OnCourse Learning Real Estate
Preferred Systems, Inc.
Ralph Foulger's School of Real Estate
The Real Estate Cafe
Realtors' Association of Maui, Inc.
REMI School of Real Estate
Russ Goode Seminars
Servpro Industries, Inc.
USA Homeownership Foundation, Inc., dba Veterans Association of Real Estate Professionals (VAREP)
Vitousek Real Estate Schools, Inc.
West Hawaii Association of Realtors

PRELICENSE SCHOOLS

Abe Lee Seminars
Akahi Real Estate Network, LLC
All Islands Real Estate School
American Dream Real Estate School, LLC
Bly School of Real Estate
Carol Ball School of Real Estate
The CE Shop, Inc.
Coldwell Banker Pacific Properties Real Estate School
Continuing Ed Express, LLC
Digital Learning Centers, LLC dba REMI School of Real Estate
Inet Realty
Maui Real Estate Academy, LLC dba Hawaii Real Estate Academy
OnCourse Learning Corporation dba OnCourse Learning Real Estate
Ralph Foulger's School of Real Estate
Savio Realty Ltd., dba Savio Real Estate Academy
Seiler School of Real Estate
Vitousek Real Estate Schools, Inc.

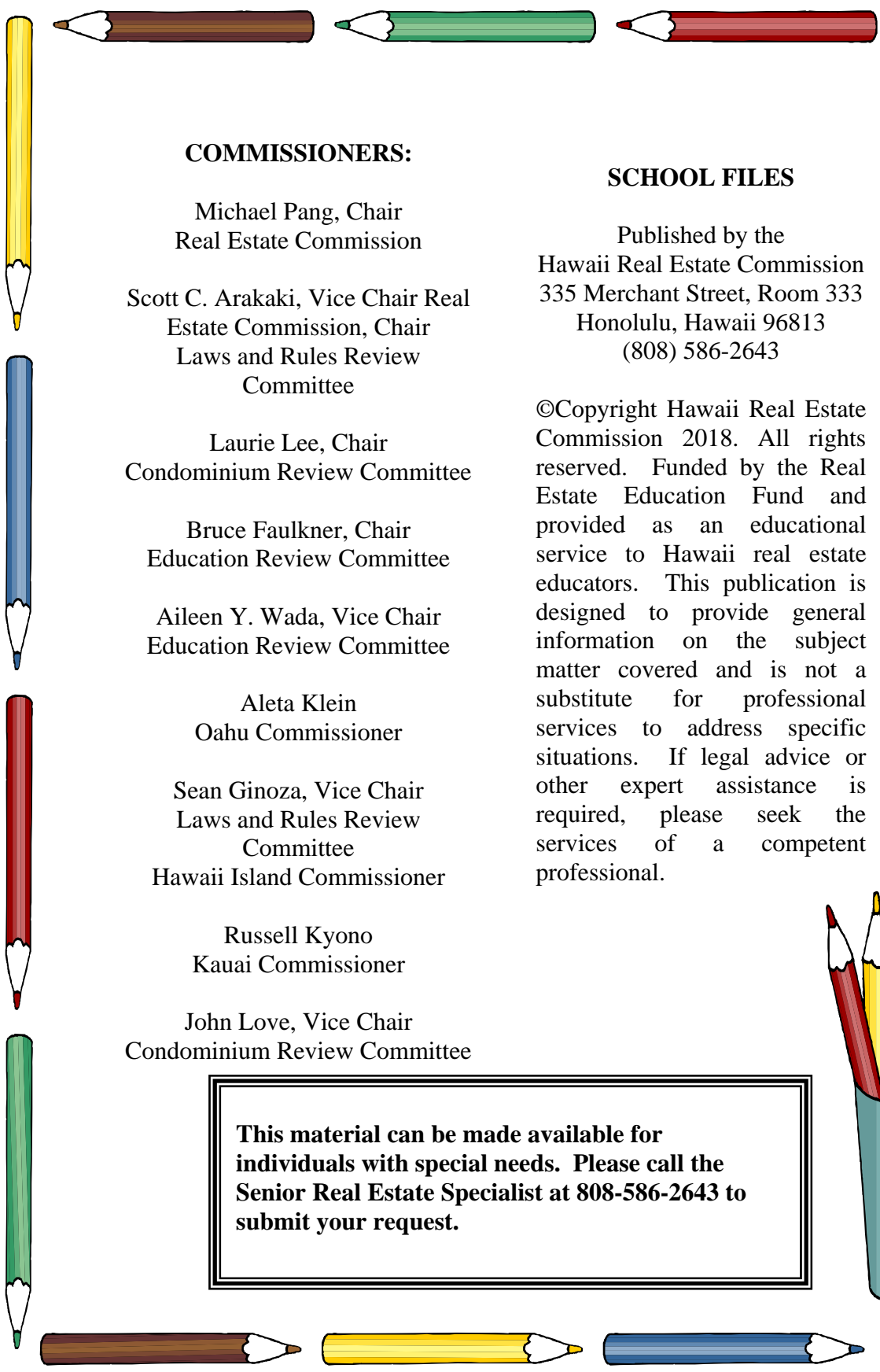


**2018 REAL ESTATE COMMISSION
MEETING SCHEDULE**

Laws & Rules Review Committee - 9:00 a.m.	
Condominium Review Committee - Upon adjournment of the Laws & Rules Review Committee Meeting	Real Estate Commission 9:00 a.m.
Education Review Committee - Upon adjournment of the Condominium Review Committee Meeting	
Wednesday, October 10, 2018	Friday, October 26, 2018
Wednesday, November 14, 2018	Friday, November 21, 2018
Wednesday, December 12, 2018	Friday, December 21, 2018

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor.

Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at 586-2643 to confirm the dates, times and locations of the meetings. This material can be made available to individuals with special needs. Please contact the executive officer at 586-2643 to submit your request.



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Michael Pang, Chair
Real Estate Commission

Scott C. Arakaki, Vice Chair Real
Estate Commission, Chair
Laws and Rules Review
Committee

Laurie Lee, Chair
Condominium Review Committee

Bruce Faulkner, Chair
Education Review Committee

Aileen Y. Wada, Vice Chair
Education Review Committee

Aleta Klein
Oahu Commissioner

Sean Ginoza, Vice Chair
Laws and Rules Review
Committee
Hawaii Island Commissioner

Russell Kyono
Kauai Commissioner

John Love, Vice Chair
Condominium Review Committee

SCHOOL FILES

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BOO!
IT'S A RENEWAL
YEAR!

