

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 14, 2018

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: Bruce Faulkner, Chair / Broker / Kauai Commissioner
Aileen Wada, Vice Chair, Broker / Honolulu Commissioner
Scott Arakaki, Public Member / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner (early departure)
John Love, Public Member / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hawaii Island Commissioner
Russell Kyono, Broker / Kauai 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
Lorie Sides, Condominium Education Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Kristen Kekoa-Nakasone, Recording Secretary

Others: None

Absent: None

Call to Order: The Chair called the meeting to order at 9:32 a.m., at which time quorum was established.

Chair's Report: No reports were presented.

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 Wada, seconded by Commissioner Kyono, it was voted on and unanimously carried to accept the minutes of the October 10, 2018 Education Review Committee meeting.

Continuing Education: Administrative Issues

2018 - 2019 Continuing Education Providers and Courses Ratification List

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

<u>Registration/Certification</u>	<u>Effective Date</u>
Provider(s)	
"Hawaii CCIM Chapter"	01/01/2019
"Dexterity CE, LLC"	01/01/2019
"Continuing Ed Express, LLC"	01/01/2019
"The International Association of Certified Home Inspectors (InterNACHI)"	01/01/2019
"McKissock, LLC"	01/01/2019
Course(s)	
"Commercial Real Estate Negotiations" (7 credits) (National/Hawaii CCIM)	01/01/2019
"Foundations for Success in Commercial Real Estate" (7 credits) (National/Hawaii CCIM)	01/01/2019
"CI 101 Financial Analysis for Commercial Investment Real Estate" (12 credits) (National/Hawaii CCIM)	01/01/2019
"CI 102 Market Analysis for Commercial Investment Real Estate" (12 credits) (National/Hawaii CCIM)	01/01/2019
"CI 103 User Decision Analysis for Commercial Investment Real Estate" (12 credits) (National/Hawaii CCIM)	01/01/2019
"CI 104 Investment Analysis for Commercial Investment Real Estate" (12 credits) (National/Hawaii CCIM)	01/01/2019

Course(s) (continuation)	<u>Effective Date</u>
"Broker Awareness, Part 1" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Broker Awareness, Part 2: Broker Practice and Risk Management" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Condominium and Planned Communities" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"From Contract to Closing" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Legal Issues" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Property Management & Landlord/Tenant" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Representation, Practical Ethics & Fair Housing" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Residential Tax Rules, 1031 Exchange, and Foreign Investors" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Run Your Business Like a Business" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of the Purchase Contract" (6 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of Finance: Know the Borrower" (3 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of Finance: Loan Choices" (3 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of Listing: Establishing Market Value (CMA)" (3 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of Listing: Exclusive Right to Sell Listing Contract" (3 credits) (Hawaii Association of Realtors)	01/01/2019
"Strategies of Listing: Getting the Listing" (3 credits) (Hawaii Association of Realtors)	01/01/2019
"Ethics Adventure" (3 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"Buyers Generation (formerly Elective Generation)" (4 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"ePRO Day 1" (6 credits) (National/Hawaii Association of Realtors)	01/01/2019

Course(s) (continuation)	<u>Effective Date</u>
"Fair Housing" (3 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"Property Management" (3 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"Technology Generation" (4 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"Better Agent Generation" (6 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"Sellers Generation" (12 credits) (ARELLO/Hawaii Association of Realtors)	01/01/2019
"H4P - A Realtor's Guide to Utilizing the HECM for Purchase (3 credits) fka The Purchase Reverse Mortgage" (Dexterity CE, LLC)	01/01/2019
"All You Need to Know About the 2017 Tax Cuts and Jobs Act" (3 credits) (The Berman Education Company LLC)	01/01/2019
"Tax Issues for Real Estate: Knowledge is Power" (3 credits) (The Berman Education Company LLC)	01/01/2019
"Taxation and Real Estate: Cover Yourself Play Good Defense" (3 credits) (The Berman Education Company LLC)	01/01/2019
"A Guide to Navigating Real Estate Transactions" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"BPO Simplified" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Business and Communications Technology" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Buyer Counseling: A Planned Approach" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Fair Housing for Real Estate Professionals" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Green Remodeling: Sustainable Ways to Renovate Homes" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"History of the American Home: Part I" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019

Course(s) (continuation)	<u>Effective Date</u>
"History of the American Home: Part II" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Home Inspections Basics" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"How to Sell Real Estate Part-Time" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Indoor Air Quality: Risks and Remedies" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Inside the Federal Reserve" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Managing Real Estate Risks with Insurance" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Mortgage Fraud Finds New Paths in Real Estate" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Mortgage Products 101" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Professional Standards and Best Practices" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Real Estate Photography for Listing Agents" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Realtor Code of Ethics Case Studies" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Rehab for Resale" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Relocation Realities" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Resolving Transaction Disputes" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"REO Simplified" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Seller Counseling: From Listing to Closing" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019

Course(s) (continuation)	<u>Effective Date</u>
"Service Dogs ADA and the Fair Housing Act" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"The Essential Real Estate Marketing Guide" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"The Role of Diversity Marketing in Your Real Estate Practice" " (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Using Feng Shui Principles to Improve Living Spaces" (3 credits) (ARELLO/Continuing Ed Express LLC)	01/01/2019
"Home Energy Efficiency for Real Estate Professionals (Live)" (4 credits) (ARELLO/InterNACHI)	01/01/2019
"Home Energy Efficiency for Real Estate Professionals (Online)" (4 credits) (ARELLO/InterNACHI)	01/01/2019
"Saving Home Energy for Real Estate Professionals (Live)" (3 credits) (ARELLO/InterNACHI)	01/01/2019
"Saving Home Energy for Real Estate Professionals (Online)" (3 credits) (ARELLO/InterNACHI)	01/01/2019
"The Home Energy Audit V2" (3 credits) (Green Building Hawaii)	10/29/2018
"Green Home Basics V2" (3 credits) (Green Building Hawaii)	10/29/2018
"A Day in the Life of a Buyer Agent" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Agency Law – A Broker's Perspective" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Americans with Disabilities Act ADA" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Drama and the Code of Ethics" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Finding Your Focus: Niche Marketing for Real Estate" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Going Green: Elements of an Eco-friendly Home" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019

Course(s) (continuation)	<u>Effective Date</u>
"How to Work with Real Estate Investors – Part 1" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"How to Work with Real Estate Investors – Part 2" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Know the Code: Your Guide to the Code of Ethics" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Lead Alert: A Guide for Property Managers" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Real Estate Safety: Protect Yourself and Your Clients" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"The Doctor is In: Diagnosing Your Risk Management" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"The End of the Paper Trail: How to Conduct Paperless Transactions" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"The Roadmap to Building a Modern Real Estate Company" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Top Policy Issues Facing Brokerages Today" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Uncovering The Facts About Managing Financing" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Using Retirement Assets to Purchase Real Estate" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Video is the Bomb" (3 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Millennials Are Changing Real Estate: Are You Ready?" (4 credits) (ARELLO/McKissock, LLC)	01/01/2019
"Preparing a Listing Agreement: An In-Depth Look" (4 credits) (ARELLO/McKissock, LLC)	01/01/2019

Executive Session:

Upon a motion by Commissioner Ginoza, seconded by Commissioner Klein, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" and 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 Lee, it was voted on and unanimously carried to move out of executive session.

Commissioner Klein departed at 10:01 a.m.

Applications

Course – "Trust It!" (as amended); Author/Owner: Saul Lerner, Ph.D., LL.M; Provider: Abe Lee Seminars; Course Categories: Contracts, Investment, Real Estate Law, Property Ownership and Development; Clock Hours: 3 (2nd DEFERRAL – 10/10/18 ERC)

Commissioner Arakaki moved to deny "Trust It!" (as amended), as a 3 credit hour continuing education elective course. Commissioner Love seconded the motion. The motion was voted on and carried.

The Education Review Committee (ERC) based their decision on the following:

First, and foremost, as explained in previous reviews of this course, the course remains beyond the scope of the real estate licensee's area of practice and expertise. Hawaii Administrative Rules ("HAR") §16-99-101(1) states, "Courses not acceptable for continuing education course certification. The Commission may not certify a continuing education course, or any portion thereof, which: (1) Does not directly relate to real estate law or real estate practice;" There are statements relating to estate planning, asset protection, banking law, divorce law, tax law, gifts, and liens, etc., which do not directly relate to a real estate licensee's practice.

Further, the Commission believes that this course does not meet the definition of continuing education as stated in HAR §16-99-101(7), "Does not meet the definition of continuing education as determined by the commission." There are many statements throughout the course that may be considered contradictory, erroneous, and confusing; one such example may be found in Benefit 16, page 21, regarding confidentiality. The statement appears to conflict with several sections in Chapter 558, Hawaii Revised Statutes (HRS), that require the disclosure of beneficiaries or note the lack of liability for disclosure.

The ERC believes that this course cannot be rewritten at this point. The topic of presenting an overview of land trusts is fine, but the course as written will not fill a minimum of three hours to make a complete continuing education course and it exceeds the scope of practice of a real estate licensee, thereby, making this type of course inappropriate for continuing education.

Course – "Safety First: For Real Estate Agents"; Author/Owner: Preferred Systems, Inc.; Provider: Preferred Systems, Inc.; Course Categories: Property Management, Property Ownership and Development, Risk Management; Clock Hours: 3

Course – "Kitchen and Bath Appliances: What Real Estate Agents Need to Know"; Author/Owner: Preferred Systems, Inc.; Course Categories: Property Management, Property Ownership and Development, Risk Management; Clock Hours: 3

Commissioner Pang moved to approve " Safety First: For Real Estate Agents" and "Kitchen and Bath Appliances: What Real Estate Agents Need to Know", as 3 credit hour continuing education elective courses, under the course categories Property Management, Property Ownership and Development, Risk Management, subject to the following recommendations:

Please include the Commission's disclaimer in the course materials.

“Safety First” - Hawaii has no liquified or natural gas usage, but instead, relies on bottled gas - propane. Please amend or add to the course materials to reflect Hawaii’s information and address the differences between the two.

On page 3 of the PowerPoint slides, on the “Smoke detector” slide – Hawaii does not have daylight savings time.

Please amend the title to the course to reflect the content which appears to be geared towards home safety issues, not necessarily safety for real estate agents.

“Kitchen and Bath Appliances” – Please clarify the course title, for example, “What Home Inspectors Look For in Appliances.”

Both the “Safety First” and “Kitchen and Bath Appliances” courses appear to address the home inspection/inspector. Is it possible to COMBINE the two courses into one course? The ERC felt that the content was on the sparse side in filling the minimum 3-hours of instruction time. When combining the two courses, the number of clock hours may change.

Commissioner Love seconded the motion. The motion was voted on and unanimously carried.

Administration of
Examinations:

PSI

Licensing Examination Statistics – October 2018

Examination statistics for October 2018 were distributed to the Commissioners for their information.

School Pass/Fail Rates – October 2018

School pass/fail rate statistics for October 2018 were distributed to the Commissioners for their information.

School Summary by Test Category – October 2018

Copies of the October 2018 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 2018 *Bulletin* has been distributed and a copy made available on the Commission’s website:
www.hawaii.gov/hirec.

Next Meeting:

Wednesday, December 12, 2018

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, 1st Floor
Honolulu, HI 96813

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

Reviewed and approved by:

/s/Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

Date

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

DCF:kk