

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: March 11, 2020

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 / Maui Commissioner
Russell Kyono, Vice Chair / Broker / Kauai Commissioner
Scott Arakaki, Public Member / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner
John Love, Public Member / Honolulu Commissioner
Derrick Yamane, Broker / Interim 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
Lorie Sides, Condominium Education Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Dorothy Aquino, Recording Secretary

Others: Ethel Keyes, Hawaii Association of REALTORS®
Bryan Andaya, Eddie Flores Real Estate Continuing Education

Absent: Laurie A. Lee, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hawaii Island Commissioner

Call to Order: The Chair called the meeting to order at 9:25 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.

Commissioners Lee and Ginoza were excused from the meeting. Prior notification of their non-attendance was received.

Real Estate
Specialist's Report:

Minutes of Previous Meeting

Upon a motion by Commissioner Yamane, seconded by Commissioner Love, it was voted on and unanimously carried to accept the minutes of the February 12, 2020 Education Review Committee meeting.

Continuing Education: Administrative Issues

2020-2021 Continuing Education Providers and Courses Ratification List

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

<u>Registration/Certification</u>	<u>Effective Date</u>
Courses	
"How to Write Good Contracts I" (3 credits) (Abe Lee)	02/05/2020
"How to Write Good Contracts II" (3 credits) (Abe Lee)	02/05/2020
"How to Write Good Contracts III" (3 credits) (Abe Lee)	02/05/2020
"Understanding the Escrow Process in Real Estate" (3 credits) (Celine Nelsen)	02/05/2020
"Fair Housing for Real Estate Professionals" (3 credits) (Systems Effect L.L.C. dba Training Cove)	02/06/2020
"Green Day 1: The Resource-Efficient Home: Remodels, Retrofits, Renovations, and New-Home Construction" (6 credits) (Hawaii Island REALTORS®/National)	02/07/2020
"Green Day 2: Representing Buyers and Sellers: Resource- Efficient Homes" (6 credits) (Hawaii Island REALTORS®/National)	02/07/2020

"Risk Management" (3 credits) (Systems Effect L.L.C. dba Training Cove)	02/13/2020
"Environmental Hazards and Disclosure" (3 credits) (Systems Effect L.L.C. dba Training Cove)	02/14/2020
"Real Estate Investing" (3 credits) (Systems Effect L.L.C. dba Training Cove)	02/20/2020
"Negotiation Strategies for Real Estate" (3 credits) (Systems Effect L.L.C. dba Training Cove)	02/25/2020

Applications

Course - "Top of Mind Awareness Turnaround"; Author/Owner - Peter "Pat" N. Zaby; Provider - REALTORS® Association of Maui, Inc.; Course Categories - Technology and the Licensee; Clock Hours: 3

Executive Officer Iino noted the advertisements included in the course need to meet the requirements of HAR §69- 9(11), for example on page 6, slide 36.

Upon a motion by Commissioner Pang, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve "Top of Mind Awareness Turnaround" as a 3-credit hour continuing education course, under the course category Technology and the Licensee.

Course – "2020 The Code of Ethics – Our Promise of Professionalism"; Author/Owner: National Association of REALTORS®.; Provider: Wai Wai Nui Inc. dba Hawaii Business Training; Course Category: Other - NAR Code of Ethics; Clock Hours: 3

Senior Real Estate Specialist Fujimura commented the course is a NAR ethics course. Beth Holiday received permission to title the course as submitted above. There was no change from the previous code of ethics course.

Commissioner Pang asked if the course is a requirement for all real estate licensees who are REALTOR® board members. Commissioner Pang objected to giving CE credit for a course that is a NAR requirement.

Deputy Attorney General Wong commented not all licensees are members of a local board/NAR.

Commissioner Klein commented the course is educational and taking the course may inspire real estate licensees to join a local board and participate in the board committees.

Commissioner Pang commented most non-board real estate licensees need to identify and be familiar with the possible violations of the real estate licensing laws and rules, as they mirror many of the articles in the Code of Ethics.

Upon a motion by Commissioner Klein, seconded by Commissioner Kyono, it was voted on and unanimously carried to approve "2020 The Code of Ethics: Our Promise of Professionalism" as a 3-credit hour continuing education course, under the course category NAR Code of Ethics.

Provider - "Franklin Energy Services, LLC"; Administrator: Stephanie SooHoo

Senior Real Estate Fujimura commented the provider was previously an approved provider with the Commission. The course they will offer is a currently certified course with the Commission. The course is a certified NAR Green Designation course.

Upon a motion by Commissioner Pang, seconded by Commissioner Kyono, it was voted on and unanimously carried to approve Franklin Energy Services, LLC as a continuing education provider.

Course - "Disclosure Issues in Residential Sales"; Author/Owner - Bryan Andaya; Provider - Eddie Flores Real Estate Continuing Education; Course Categories: Real Estate Law, Other - Disclosures in Residential Sales - Single Family and Condominiums; Clock Hours: 3

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

Mr. Andaya commented the course will be a good companion course with the continuing education course he recently wrote, "Condominium Governance Refresher: A Survey of Commonly Disputed Issues", which was approved at the ERC meeting February 2020. The course focusses on developer sales for condominiums and emphasizes the importance of reviewing the public report, and discusses HRS Chapter 508D, the Mandatory Sellers Disclosure law.

Commissioner Klein commented the course is right on point.

Commissioner Love asked if the pending bill in the legislature on real properties located in areas which are threatened with future sea level rises will be discussed if passed?

Mr. Andaya responded he will incorporate any relevant law changes.

Mr. Andaya responded to Commissioner Love's question regarding the developer who ran out of money and skipped town. Mr. Andaya will have a discussion in his class regarding the situation.

Upon a motion by Commissioner Klein, seconded by Commissioner Pang, it was voted on and unanimously carried to approve "Disclosure Issues in Residential Sales" as a 3-credit hour continuing education course, under the course categories Real Estate Law and Other – Disclosures in Residential Sales – Single Family and Condominiums.

Administration of
Examinations:

PSI

Licensing Examination Statistics – February 2019

Examination statistics for February 2019 were distributed to the Commissioners for their information.

School Pass/Fail Rates – February 2019

School pass/fail rate statistics for February 2019 were distributed to the Commissioners for their information.

School Summary by Test Category – February 2019

Copies of the February 2019 test category summary reports, by school, were distributed to the Commissioners for their information.

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

The REC February 2020 Bulletin was mailed to licensees, however, because of a sorting error, licensees received a Bulletin that was incorrectly addressed. Staff received numerous calls and inquiries regarding the error. Each inquirer received a response stating the error was brought to the attention of the vendor. Trade Publishing, LLC gave REED a discount of \$691.00 on the mailing service provided on the contract.

Instructor's Development Workshop (IDW)

Ms. Ethel Keyes was present to answer any questions the committee may have.

Senior Real Estate Specialist Fujimura noted Theresa Barnabei is the IDW instructor for the upcoming IDW. Ms. Barnabei was also the previous Commission-sponsored IDW instructor and presented a well-received and highly praised workshop for all attendees.

The IDW is sponsored by the Commission and presented by the Hawaii Association of REALTORS®. The IDW workshop, "Delivering a Stellar Class" is scheduled for April 29 – May 6, 2020, 9:30 a.m. to 3:30 p.m., on various islands and hosted by the Hawaii Association of REALTORS®.

Ms. Keyes informed the committee that 33 registrations have been received so far.

Commissioner Faulkner commented he attended a previous REEA session delivered by Ms. Barnabei, and she is a dynamic speaker.

Ms. Keyes commented the workshop will benefit people who deliver training within their brokerage firm, and for those who are considering becoming trainers or instructors.

Senior Real Estate Specialist Fujimura commented refreshments and lunch will be provided.

Ad Hoc Committee on Education (ACE)

The committee acknowledged receipt of the March 3, 2020 Ad Hoc Committee on Education report.

Senior Real Estate Specialist Fujimura reported that the ACE committee is working with the vendor to update the Salesperson's Curriculum. The existing curriculum has been reorganized. In a subsequent draft, the vendor will include icons which note which sections pertain to the national and Hawaii-specific topics. The deadline for the first draft is March 31, 2020, and the final deadline is the end of June 2020. The effective date of the updated salesperson's curriculum will be January 1, 2020, which will give the schools six months to review and prepare the new curriculum.

Commissioner Faulkner commented the curriculum mentions the Agreement of Sale but does not mention the Purchase Money Mortgage (PMM).

Commissioner Klein commented consumers think a conventional mortgage is provided by Freddie Mac or Fannie Mae, but private mortgages may have different standards.

Senior Real Estate Specialist informed the committee that ACE recommends that the number of interactive events within a continuing education course be increased from one activity for each three hours of a course, to one activity for each hour of the course.

Upon a motion by Commissioner Klein, seconded by Commissioner Pang, it was voted on and unanimously carried to approve the March 3, 2020 ACE recommendations in its report.

Budget and Financial Report:

After reviewing the real estate education fund budget report for the period ending December 31, 2019, Commissioner Klein questioned why the revenue under "Application and Renewal Fees" is so low.

SEO Fujitani commented the figures are not those received in a renewal period. Only application fees are being collected and reflected in the report.

Upon a motion by Commissioner Kyono, seconded by Commissioner Pang, it was voted on and unanimously carried to accept the Real Estate Education Fund Financial Report for the period ending December 31, 2019.

Next Meeting:

Wednesday, April 8, 2020

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 Faulkner adjourned the meeting at 9:49 a.m.

Reviewed and approved by:

Diane Choy Fujimura
Senior Real Estate Specialist

March 16, 2020

Date

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