

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 8, 2016

Time: Upon adjournment of the Condominium Review Committee meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convened at 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Rowena Cobb, Chair / Broker / Kauai Commissioner
Aileen Wada, Vice Chair, Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Commissioner
Nikki Senter, Public Member / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hilo Commissioner

Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Carole R. Richelieu, Senior Condominium Specialist
David J. Grupen, Real Estate Specialist
Shari Wong, Deputy Attorney General
Dorothy Aquino, Recording Secretary

Others: Abe Lee, Abe Lee Seminars

Excused: Scott Arakaki, Public / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:56 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.

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

Real Estate
Specialist's Report: Additional Distribution

The following was distributed as additional distribution:

7a. Ad Hoc Committee on Education (ACE) – Meeting of 3/6/17-Report

Additions to the Agenda

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to recommend accepting the additions to the agenda.

Minutes of Previous Meeting

Upon a motion by Commissioner Faulkner, seconded by Commissioner Klein, it was voted on and unanimously carried to accept the minutes of the February 8, 2017, Education Review Committee meeting.

Continuing Education: Administrative Issues

2017-2018 Continuing Education Providers and Courses Ratification List

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

Registration/Certification

Effective Date

Provider(s)

REMI School of Real Estate	01/01/2017
Hawaii Business Training	01/01/2017
Shari S. Motooka-Higa	01/27/2017
Eddie Flores Real Estate Continuing Education	02/14/2017

Course(s)

Fundamentals of Understanding Investment Property (ARELLO/REMI School of Real Estate) (6 credits)	01/01/2017
Policies to Reduce Risk (ARELLO/REMI School of Real Estate) (3 credits)	01/01/2017
Understanding Green Homes (ARELLO/REMI School of Real Estate) (3 credits)	01/01/2017
Real Estate Math Made Easy (ARELLO/REMI School of Real Estate) (3 credits)	01/01/2017
Valuation of Commercial Property (ARELLO/REMI School of Real Estate) (3 credits)	01/01/2017
Listing and Buyer Representation Agreements (CEC/REMI School of Real Estate) (3 credits)	01/01/2017

Commercial Sales 101: Getting Started (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
BPO and CMA: How to Value Residential Property (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Settlement Process – HUD1, RESPA, and the GFE (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Course(s)	
Applied Ethics in Practice: Case Studies (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Property Management: How to Reduce Risk (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Social Media Technology and Advertising Rules (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Buyer Representation (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
About Fair Housing for Real Estate Practitioners (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
1031 Exchange for Real Estate Practitioners (CEC/REMI School of Real Estate) (3 credits)	01/01/2017
Foreclosure Resolution Law (CEC/REMI School of Real Estate) (6 credits)	01/01/2017
Disclosures in Residential Transactions (CEC/REMI School of Real Estate) (6 credits)	01/01/2017
Real Estate Valuation (CEC/REMI School of Real Estate) (6 credits)	01/01/2017
Raising Standards of Communications with the Everything Disc (CEC/Hawaii Business Training) (6 credits)	01/01/2017
Mind Your Own Business (CEC/Hawaii Business Training) (3 credits)	01/01/2017
Advanced Concepts for Today's Senior Homeowners (CEC/Shari S. Motooka-Higa) (3 credits)	01/27/2017
Universal Design for Accessibility & Aging-In-Place (CEC/Shari S. Motooka-Higa) (3 credits)	01/27/2017
Rehab Loans Made Easy (CEC/Shari S. Motooka-Higa) (3 credits)	02/09/2017

Death, Family Feuds, and Creditor Issues: How to Deal with the Partition of Real Estate (CEC/Eddie Flores) (3 credits) 02/14/2017

Introduction to Escrow (CEC/Eddie Flores) (3 credits) 02/14/2017

Course(s)

Selling to Chinese Customers (Chinese Nationals) (CEC/Eddie Flores) (3 credits) 02/14/2017

Writing A Business Plan – For Real Estate Professionals (CEC/Eddie Flores) (3 credits) 02/14/2017

The ABC's of Escrow (CEC/Title Guaranty) (3 credits) 02/15/2017

Complex Title Matters – Identifying & Resolving (CEC/Title Guaranty) (3 credits) 02/15/2017

Exploring Hawaii Lands and Maps (CEC/Title Guaranty) (3 credits) 02/15/2017

Hawaii Lands, Historical Review (CEC/Title Guaranty) (3 credits) 02/15/2017

Idiosyncrasies of Hawaii Land Court Properties (CEC/Title Guaranty) (3 credits) 02/15/2017

Title Insurance & Title Report Red Flags (CEC/Title Guaranty) (3 credits) 02/15/2017

Title Insurance – What, Why, and How (CEC/Title Guaranty) (3 credits) 02/15/2017

You Can't Get There From Here: A Close Look at Easements (CEC/Title Guaranty) (3 credits) 02/15/2017

CRS 127 Succession Planning: Building, Valuing, and Selling Your Business (ARELLO/Council of Residential Specialists) (6 credits) 02/15/2017

Applications

Provider – CMPS Institute, LLC; Administrator, Gibran Nicholas

**Course – "Mortgage Math Camp"; Author/Owner: CMPS Institute, LLC;
Provider: CMPS Institute LLC; Course Category: Finance; Clock Hours: 3**

**Course – "Mortgage & Real Estate Taxation"; Author/Owner: CMPS Institute, LLC;
Provider: CMPS Institute, LLC (pending); Course Categories: Real Estate Law, Finance;
Clock Hours: 3**

Course – "Cash Flow Planning for Real Estate Investors"; Author/Owner: CMPS Institute, LLC; Provider: CMPS Institute, LLC; Course Categories: Investment, Finance; Clock hours: 3

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to defer decision making on "CMPS Institute, LLC", as a continuing education provider, as well as the three continuing education courses listed above. The application information states there is "no charge" to attend the courses. If the provider or instructor is a mortgage broker or solicitor, there may be potential RESPA violations for real estate licensees who attend the course. A similar situation occurred in 2016 with a CE provider who offered a CE course with no fee. The CE provider was a mortgage broker.

As CMPS appears to be promoting its services and products, there was concern about compliance with HAR §16-99-101(4), "The commission may not certify a continuing education course,... which, (4) includes sales or promotion of a product or service...."

A written clarification will be requested from the applicant.

Course – "Negotiating for the Win/Win in Real Estate"; Author/Owner: Philip Hale Wilia; Provider: Bly School of Real Estate; Course Category: Other – Real Estate Negotiation; Clock Hours: 3

Upon a motion by Commissioner Klein, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "'Negotiating for the Win/Win in Real Estate" as a three credit hour continuing education course, under the course category Other – Real Estate Negotiation.

Course – "Ninja Selling System Introduction"; Author/Owner: Walt Frey; Provider: Abe Lee Seminars; Course Category: Other – Client Management, Agent Professionalism; Clock Hours: 6

Mr. Abe Lee was present to answer any questions the committee may have regarding the CE course. Mr. Lee informed the committee the author, Walt Frye, gave Abe Lee Seminars authorization to offer the course.

Mr. Lee informed the committee the course will teach the agent how to be an efficient, caring agent, and to provide value in services for clients. Mr. Lee will update information in the course so that it is current.

Upon a motion by Commissioner Lee, seconded by Commissioner Wada, it was voted on and unanimously carried to approve "Ninja Selling System Introduction" as a six credit hour continuing education course, under the course category Other – Client Management, Agent Professionalism.

Course – "The Essentials of Financing and Mortgages"; Author/Owner: Scott Alan Bly, Esq.; Provider: Bly School of Real Estate; Course Category: Finance; Clock Hours: 3

After discussion ERC requested access to full course materials by contacting the Senior Real Estate Specialist and noting on the agenda item the complete course materials are available.

Upon a motion by Commissioner Klein, seconded by Commissioner Senter, it was voted on and unanimously carried to approve "The Essentials of Financing and Mortgages" as a three credit hour continuing education course, under the course category Finance

Course – "All About Agency"; Author/Owner: Scott Alan Bly, Esq.; Provider: Bly School of Real Estate; Course Categories: Contracts, Real Estate Law, Risk Management; Clock Hours: 3

Upon a motion by Commissioner Faulkner, seconded by Commissioner Ginoza, it was voted on and unanimously carried to approve "All About Agency" as a three credit hour continuing education course, under the course categories Contracts, Real Estate Law, Risk Management.

Course – "Commercial and Investment Real Estate: Tools of the Trade"; Author/Owner: Dearborn Real Estate Education; Provider: Bly School of Real Estate; Course Categories: Investment, Finance; Clock Hours: 6

Upon a motion by Commissioner Klein seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Commercial and Investment Real Estate" as a six credit hour continuing education course, under the course categories Investment, Finance.

Course – "The Insider's Guide to Commercial Real Estate"; Author/Owner: Dearborn Real Estate Education; Provider: Bly School of Real Estate; Course Categories: Contracts, Property Management, Finance, Property Ownership and Development; Broker Management; Clock Hours: 6

Upon a motion by Commissioner Lee, seconded by Commissioner Klein it was voted on and unanimously carried to approve "The Insider's Guide to Commercial Real Estate" as a 6 credit hour continuing education course, under the course categories Contracts, Property Management, Finance, Property Ownership and Development, Broker Management.

Course – "Everyday Ethics in Real Estate"; Author/Owner: Dearborn Real Estate Education; Provider: Bly School of Real Estate; Course Categories: Other – Ethics in Real Estate; Clock Hours: 6

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Everyday Ethics in Real Estate" as a six credit hour continuing education course, under the course category Other – Ethics in Real Estate.

Course – "Property Management and Managing Risk"; Author/Owner: Dearborn Real Estate Education; Provider: Bly School of Real Estate; Course Categories: Property Management, Risk Management; Clock Hours: 6

Commissioner Senter questioned the lack of discussion on client trust accounts (CTAs) in the course. The matter of client trust accounts is a relevant and timely topic and should be discussed in the course. On page 10, unit one, there is mention of funds being deposited into trust accounts but there is otherwise no discussion of CTAs.

Commissioner Klein raised the concern as to the option of "Right to Renew" in Chapter 4. However, as the course deals with both commercial and residential property management, this option appears to be applicable to commercial property management.

A suggestion was made by Commissioner Senter to include a discussion of the following federal acts as related to commercial leasing to the extent possible: Trading with the Enemy Act, USA Patriot Act, and Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control (see section 1 of Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, or Support Terrorism).

Upon a motion by Commissioner Klein and seconded by Commissioner Lee, it was voted on and unanimously carried to defer decision-making on the continuing education course application submitted.

Course – "Foreclosures, Short Sales, REOs and Auctions"; Author/Owner: Dearborn Real Estate Education; Provider: Bly School of Real Estate; Course Categories: Contracts, Other – Foreclosures, Short Sales, REOs; Clock Hours: 6

Upon a motion by Commissioner Wada, seconded by Commissioner Lee, it was voted on and unanimously carried to approve "Foreclosures, Short Sales, REOs and Auctions" as a six credit hour continuing education course, under the course categories Contracts, Other-Foreclosures, Short Sales, REOs.

Course – "Fair Housing No Place for Discrimination Update 2017"; Author/Owner: Scott Sherley; Provider: TBD; Course Categories: Real Estate Law, Property Management, Risk Management, Other – Federal Fair Housing; Clock Hours: 3

Upon a motion by Commissioner Klein, seconded by Commissioner Wada, it was voted on and unanimously carried to approve "Fair Housing No Place for Discrimination Update 2017" as a three credit hour continuing education course, under the course categories Real Estate Law, Property Management, Risk Management, Other – Federal Fair Housing.

Prelicensure Education: Administrative Issues

2017 – 2018 Prelicensure Schools and Instructors and Ratification List

<u>Registration/Certification</u>	<u>Effective Date</u>
School(s) REMI School of Real Estate	01/01/2017
Instructor(s) David Catanzaro – REMI School of Real Estate	01/01/2017

Administration of Examinations:

PSI

Licensing Examination Statistics – February 2017

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

School Pass/Fail Rates – February 2017

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

School Summary by Test Category – February 2017

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

Program of Work: Ad Hoc Committee on Education (ACE)

Senior Real Estate Specialist Fujimura updated the committee with information on the development of 2017 - 2018 Core A Course, "Technology: The Good, the Bad and the Evil."

Senior Real Estate Specialist requested input to enhance on-line CE courses. The Millennials and younger generations learn differently from the older generations. The conduct of real estate transactions is rapidly changing and has evolved from established business models. How can the core course be developed so that it engages Millennials? ACE recommended a title change of Part A Core Course 2017 – 2018, from "Technology: The good, the Bad, and the Evil" to "Technology: The Good, the Bad, and the Evil...Whatevah!" "Whatevah!" was appended to the original title because it reflects The Millennial's approach to doing business and learning.

Chair Cobb stated the discussion will continue at the April ERC meeting.

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve the Ad Hoc Committee on Education report.

Next Meeting: Wednesday, April 12, 2017
Upon adjournment of the Condominium Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Cobb adjourned the meeting at 10:55 a.m.

Reviewed and approved by:

/s/Diane Choy Fujimura

Diane Choy Fujimura
Senior Real Estate Specialist

March 15, 2017

Date

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

DCF:da