

# School Files

Hawaii Real Estate Commission

May 2002

<http://www.state.hi.us/hirec>

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## **2002 is a RENEWAL YEAR**

Until the end of 2002, we will keep reminding all of you that 2002 is a licensing renewal year with an application submission deadline of November 30, 2002. We all have to plan ahead. Online renewals will be a new option offered. Licensees renewing to an active status are required to complete ten (10) hours of approved continuing education courses, of which 4 hours is the Law Update and Ethics 2001-2002 core course. Providers, instructors, and licensees should plan ahead with the November 30<sup>th</sup> deadline in mind. *We request that instructors remind students of the licensing renewal and the November 30 deadline.*

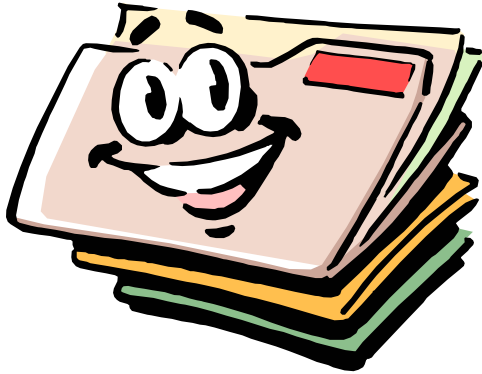
Prelicensing schools: *We request that prelicensing schools disclose to prospective students and currently enrolled students that if they secure a new license (broker or salesperson) in 2002, they will also have to renew that license by November 30, 2002.* In other words, the new licensee must pay license fees twice in 2002 as fees are not prorated. The fees basically pay for the processing of the application, including background review, problems, decisions, and any reconsideration/appeals.



## **COMMISSION MEETINGS ON KAUAI**

The Commission's public committee meetings will be held in Lihue, Kauai, on June 14, 2002, State Office Building, 3060 Eiwa Street, Second Floor, Conference Rooms A, B and C, starting at 9 a.m. for the Condominium Review Committee, 10 a.m. for the Laws and Rules Review Committee, and 10:30 a.m. for the Education Review Committee. Everyone is welcome to attend and participate.

## 2003 PROGRAM of WORK



The Commission is working on its Program of Work for fiscal year 2003 and seeks comments and recommendations from the real estate community. Go to the Commission's website at [www.state.hi.us/hirec](http://www.state.hi.us/hirec), and click on the "Commission" page to review the Program of Work FY 2002. This matter will be discussed at the monthly public committee meetings (visit the Commission's website for more info) and will have to be finalized before July 2002. You may submit your comments in writing, in person at the monthly meetings, or by e-mail to [hirec@dcca.state.hi.us](mailto:hirec@dcca.state.hi.us).

## ASI NOW KNOWN AS CAT\*ASI

In or about December, 2001, Assessment Systems Incorporated (ASI) was sold to Houghton Mifflin Company, a division of Vivendi Universal Publishing. ASI will now be a part of Houghton Mifflin's Computer Adaptive Technologies Inc. (CAT). This will have a positive impact on current ASI services, as CAT\*ASI expects to continue providing innovative testing and management services.

In March, 2002, CAT\*ASI released the latest version of CAT\*ASI testing software. The system provides modules for content management, content delivery, and results reporting.

The Content Management System enables CAT\*ASI to author assessment items in over 50 languages and allows publication of new versions of any test.

The Content Delivery System permits an industry-leading variety of test item-types, including multiple choice, short answer, essay response, etc. Also included are every type of item or multimedia, including text matching, list ordering, references, calculators, drag and drop, hot spots, zoom, video scenarios, etc.

The Data and Reporting System provides access to results 24/7.

Vivendi Universal Publishing provides content in education/literature, games, and healthcare information via print, multimedia, the internet and to PDAs via WAP (Wireless Application Protocol) technology. Its website is at [www.vivendiuniversalpublishing.com](http://www.vivendiuniversalpublishing.com).

Houghton Mifflin Company, based in Boston, is one of the leading educational publishers in the United States. Among its over \$1 billion in sales, Houghton Mifflin publishes an extensive line of textbooks, instructional technology, assessments and other educational materials for elementary and secondary schools and colleges. Also offered is computer-administered testing programs and services for the professional and certification markets. Its website is at [www.hmco.com](http://www.hmco.com).

CAT is based in Evanston, Illinois and is involved in international testing applications service that offers enabling technology, consulting, and support services for test development, and internet-based delivery options for test administration. Visit CAT at [www.catinc.com](http://www.catinc.com).

# DISTANCE EDUCATION AND INDEPENDENT STUDY



The worldwide web has mandated a fresh look at information dissemination and education. If you are contemplating offering **prelicense** courses in an independent study format, the Association of Real Estate License Law Officials (ARELLO) has a manual of “Distance Education Standards” that may be of interest to you. (Note: at this time the Hawaii Real Estate Commission allows for independent study courses for prelicense courses only. There are no rule provisions that address **continuing education** courses in an independent study format.)

The Distance Education Standards are addressed under eight (8) subheadings:

- Standards for Mission Statement
- Standards for Course Design
- Standards for Interactivity
- Standards for Course Delivery
- Standards for Equipment and Learning Environment
- Standards for Student Support Services
- Standards for Evaluation and Assessment
- Standards for Commitment to Support

Emphasis is placed on appropriate delivery mode and instructional strategies, depending on the course, involving qualified individuals in the design and planning of the course, as well as having a qualified, experienced instructor who is familiar with the course material as well as the mode(s) of delivery of the course. Additionally, the distance educator must understand or involve credentialed individuals in the course design (i.e. systems manager, graphic artists, webmasters, editors, etc.)

Teaching by distance learning can be more difficult than the live seminar type approach. Planning ahead is crucial, and back-up plans in case of equipment failure are a must. Interactivity between student – content, student – instructor, and student – student should be addressed. The student must be provided with a complete syllabus in written form including information about admission, progression, completion criteria, dismissal, and any applicable licensing requirements.

There must be a clear policy regarding any form of cheating or misrepresenting student identity.

Evaluation and assessment standards are important to a successful distance education course. How successful is the course in terms of student learning of the curriculum? Data on completion rates, student satisfaction, instructor competence, effectiveness, and accessibility need to be compiled, and secure and accurate documentation of student identity needs to be obtained.

The Commission will shortly have application forms for Independent Study Course – Prelicense Salesperson and/or Broker Curriculum, and Independent Study Course Instructor – Prelicense Salesperson and/or Broker Curriculum.

ARELLO resources may be accessed online at [arello.net](http://arello.net). Consumer information is available at [www.arello.com](http://www.arello.com) and a member site at [www.arello.org](http://www.arello.org).

## DID YOU KNOW?

The Association of Real Estate License Law Officials (ARELLO) is an international organization consisting of real estate regulators from the United States, Canada, and other foreign countries. The Commission conducted research utilizing information from the ARELLO 2002 Digest for its legislative bill this year. The research reflects some rather interesting facts. For instance:



- 28 states have license reciprocity or license recognition agreements, Hawaii has none
- 34 states have higher education requirements than Hawaii for salespersons
- 38 states have higher education requirements than Hawaii for broker candidates
- 42 states have higher experience requirements than Hawaii for broker candidates
- 34 states have higher continuing education requirements than Hawaii
- 16 states have post-licensing education requirements, Hawaii has none
- 41 states have mandatory/discretionary audits of trust accounts, Hawaii has none
- 40 states, including Hawaii have either a consumer protection bond or recovery fund requirement
- 14 states have mandatory errors and omission insurance, Hawaii has none
- Recent trend reflects an increased number of states with criminal or FBI background check of the applicant. Hawaii has no such check.



## BUDGET CUTS WILL AFFECT US ALL

The services to the real estate community may be affected by decisions made by the 2002 legislature. The legislature will be making decisions on budget and funding that will affect the Commission's services, staffing, and program of work. These decisions will affect the Commission directly and indirectly. The Commission's services and staffing are budgeted from a number of different funds. If any one of these funds is affected, monies from other funds may be needed to fill the depleted sources. The Commission may also be faced with restrictions on spending, staffing, travel, etc. The Commission does not want to raise any fees under their control and have not for over a decade. We will keep you up to date on any changes in services.

## CHEATING WILL NOT BE TOLERATED

On December 14, 2001, the Commission approved a Proposed Final Order against an exam candidate for a salesperson's license, who was alleged to have cheated by leaving the immediate vicinity of the exam site and was seen reviewing real estate related materials. The order proposed to bar the candidate from taking the real estate salesperson's license examination for two years.

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At its January 25, 2002 meeting, the Commission decided to refer the candidate's request that the Commission withdraw its proposed final order or place the matter on the agenda for the Commission's next meeting, to the Office of Administrative Hearings.

On March 27, 2002, the hearing was held. The following are the findings of fact:

- The Petitioner was scheduled to sit for the real estate salespersons license exam on December 1, 2001, in Waikoloa, Hawaii. The exam was administered by Assessment Systems, Inc. (ASI).
- The exam was administered on "Expro" units. These units consisted of a screen which displayed the exam questions. Candidates responded to each question by touching the appropriate box on the screen. The candidates' responses were recorded on a "RAM" card.
- Candidates were provided with an instruction card that directed them to raise their hand if they needed to use the restroom, "since only one person may be out of the room at a time."
- Candidates were also required to read and acknowledge the following security message displayed on the Expro screen before proceeding with the exam:

Any form of cheating, including giving or receiving help, copying or retaining test questions, or removing test material from the center is strictly forbidden.

During the time you are taking the examination, you may not use the telephone or speak to other individuals. Such activity is grounds for immediate dismissal from the examination and invalidation of your test results. If you want to leave the immediate vicinity of the testing room (to go to your car, for example), all test materials will be collected. You will not be permitted to resume testing. To indicate that you have read and understood this message, touch the box marked yes below.

- Posted in the testing room in plain view of the candidates was a sign stating as follows: CHEATING WILL NOT BE TOLERATED. Any individual caught cheating will be prosecuted to the extent allowed, including legal action.
- Shortly after beginning the exam, Petitioner raised his hand and received permission to go to the restroom, which was located on the same floor as the test center.
- On his way back to the test center, Petitioner saw his wife, in the courtyard area on the ground floor of the building, and told his wife he had four hours to complete the exam.
- Approximately five minutes after returning to the test center from his first break, Petitioner stood up, exited the test center and descended the stairs to the courtyard. Petitioner did not raise his hand for or otherwise receive permission to leave the room.
- Petitioner was observed by the exam proctor to be seated next to a female, later identified as Petitioner's wife, on a bench on the ground floor. The exam proctor observed that Petitioner was reading a book.
- The exam proctor returned to the test center, removed Petitioner's RAM card and reviewed the Test Center Manual regarding cheating by candidates. According to the manual, any candidate caught cheating would be prevented from completing the exam. The manual further provided that any materials should be confiscated, and the matter reported to test officials and documented in the manager's report.
- The exam proctor approached the Petitioner and was able to observe the words, "Real Estate" on the cover of the book Petitioner was reading.

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- The exam proctor informed Petitioner that he would not be allowed to complete the exam because he had been cheating.
- The exam proctor and Petitioner returned to the test center at which time the exam proctor reported the incident. The exam proctor was instructed to erase Petitioner's RAM card and to inform Petitioner that ASI would be contacting him.

The Hearings Officer concluded the following:

- Hawaii Administrative Rules (HAR) §16-99-29 states in relevant part, "(e) Examinations shall be conducted in accordance with the procedures formulated by the testing agency authorized by the commission to administer examinations. Failure to follow such procedures shall result in immediate disqualification from the examination and may bar candidates from being examined in any future examinations."
- Petitioner violated ASI exam procedures as all candidates were required to read the Test Center Security message that unequivocally prohibited any form of cheating, "including giving or receiving help." The message also prohibited candidates from speaking to others or leaving the "immediate vicinity of the testing room" during the exam.
- Petitioner left the immediate vicinity of the testing room and referred to his real estate study materials in violation of ASI rules.

Based on the above, the Hearings Officer is mindful of the importance of maintaining the integrity of the licensing process by discouraging cheating and ensuring that examination results are not compromised. The Hearings Officer also considers cheating to be a negative reflection of a candidate's own integrity and professionalism.

The Hearings Officer recommends that pursuant to §16-99-28(e), HAR, that Petitioner be barred from taking the real estate salesperson's license examination for a period of two years such that the earliest date Petitioner may apply to take the examination is December 1, 2003.

Note: As with all applicants for license, the Commission will have to consider if the applicant "possess a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing." Therefore, the Commission will consider the aforementioned order should the candidate pass the examination and submit an application for license.

## FAREWELL TO THREE COMMISSIONERS



Three senior commissioners, Michael Ching (industry member from Kauai), Charles Aki (industry member from the Big Island), and Alfredo Evangelista (public member), are completing their terms on the Real Estate Commission this June. These three commissioners are the "old timers" and have been responsible for much of the progress that the real estate industry has made in the areas of licensing, education, and consumer protection in the past several years. They do their homework, study the issues, have excellent meeting attendance records, and devote a number of hours outside of meetings. They always participate in the decision making process, speak their minds and have not been easily swayed by popular opinion, rather they have always held to their beliefs and principles in making sound judgments and rulings on your behalf.

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Three newly appointed commissioners will take the retiring commissioners' places. They are Kathleen Kagawa from Honolulu, Louis Abrams from Kauai, and Vern Yamanaka from the Big Island.

The new committee line-ups will look like this:

Laws and Rules Review Committee:	Chairperson:	Iris Okawa
	Vice-chair:	Louis Abrams
Education Review Committee:	Chairperson:	Patricia Choi
	Vice-chair:	Vern Yamanaka
Condominium Review Committee:	Chairperson:	Mitchell Imanaka
	Vice-chair:	Peter Rice

Mitchell Imanaka will also assume the position of Commission Vice Chair, and John Ohama will continue as the Commission Chair.

## DEFICIENCY LETTERS

Have you ever received a deficiency letter regarding your attempt to certify a continuing education course, register as a provider or school, or become a certified prelicense instructor?

How can you avoid receiving these letters that delay the filing and approval process?



### CE COURSES

The most common deficiency that appears in applications for CE courses is the failure to include the behavioral objectives for the subject course. Second to this, is the failure to include the course objectives (by topic)/learning outcomes for the course. The requirement is specified in item 9 of the Application for Certification of Continuing Education Course. When submitting the course curriculum, a course outline by topic is required. For each topic please include the objective/learning outcome. The behavioral objectives may comprise a separate list, and may be stated as, for example, "By the end of this course the student shall be able to identify from a set of facts, the real estate issues involved and any possible license violations."

The third most common deficiency cited is the lack of time allotments for each topic. If the course is being presented for the first time and you are not sure about the time allotments for each topic, your best estimate is acceptable.

### PROVIDER AND SCHOOL REGISTRATION

Obtaining a surety bond in an amount not less than \$2,000 is a requirement for the continuing education provider and the prelicense real estate school. If you are both a CE provider and a prelicense real estate school, you must obtain TWO separate bonds of not less than \$2,000 to meet the registration requirements.

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If you are NOT planning to collect monies from students in advance of the class date, the CE Provider must provide a statement certifying this intent. The specific form for the bond is provided in the registration packets for providers and schools. Please obtain the required bond using the form provided as this will save staff time in having to review a different bond format.

(NOTE: Bonding requirements are covered in §16-99-53(c)(8), HAR, for prelicense real estate schools and §16-99-99(a)(7), HAR, for CE providers.)

### **PRELICENSE INSTRUCTOR**

Prelicense instructor applicants shall have had one year prior teaching experience in real estate within three years preceding the application for certification and meet other requirements as specified in §16-99-58, HAR. If you do not meet this requirement of one year prior teaching experience within three years preceding the application, you may consider applying as a guest lecturer or substitute instructor. However, a guest lecturer must be able to document a specific area(s) of expertise in the real estate arena, and both the guest lecturer and substitute teacher shall not be used for more than fifty percent of the scheduled classes.

### **APPLICATIONS IN GENERAL**

To facilitate smooth, efficient processing of your applications, applications should be neat, typed, if possible, double-checked for all required documentation and information, and submitted with the appropriate fee. If you overpay a fee, it may take 6 – 8 weeks to process a refund. Applications that are filled with comments that are not relevant to the information or documentation required may only take longer to process.

If you have suggestions regarding the application and approval process, please contact the Senior Real Estate Specialist at 586-2645.

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