

**PRESENTATION OF THE  
REAL ESTATE COMMISSION**

TO THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION AND COMMERCE

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2010

Wednesday, February 3, 2010  
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 2633, RELATING TO REAL ESTATE  
LICENSEES.**

TO THE HONORABLE ROBERT N. HERKES, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Trudy Nishihara, Chairperson of the Hawaii Real Estate Commission ("Commission"). I thank you for the opportunity to present testimony on House Bill No. 2633, Relating to Real Estate Licensees. The Commission supports the concept of House Bill No. 2633 since it proposes to address an important subject.

The bill proposes to increase the mandatory continuing education hours for licensees wishing to keep their licenses on an active status from the current ten hours, to a minimum of twenty hours for each biennium.

Forty-eight states have continuing education requirements and legislation is pending in the remaining two states. Across the nation, the number of required education hours ranges from a low of South Carolina's eight hours per biennium to a high of Wyoming's 45 hours per biennium. Currently, Hawaii ranks 46<sup>th</sup> out of 48 when states are ranked from the highest to the lowest amount of continuing education hours required to renew a real estate license, with only New

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Hampshire and South Carolina ranking below Hawaii. However, with the proposed increase, instead of being near the bottom, Hawaii will advance to near the top of states with a higher education requirement of 20 or more hours for real estate licensees.

Thank you for the opportunity to provide testimony on this measure.

February 2, 2010

**The Honorable Robert N. Herkes, Chair**

House Committee on Consumer Protection and Commerce  
State Capitol, Room 325  
Honolulu, Hawaii 96813

**RE: H.B. 2633 Relating to Real Estate Licensees**

**HEARING: Wednesday, February 3, 2010 at 2:00 p.m.**

Aloha Chair Herkes, Vice Chair Wakai and Members of the Committee:

I am Stephanie Doughty, 2010 First Vice President, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **strongly supports** H.B. 2633 which increases the amount of Continuing Education ("CE") hours for real estate licensees from 10 hours to a minimum of 20 hours for every 2 year licensing period.

Continuing Education courses allow real estate licensees to gain more knowledge of the continual changes in the industry. Such knowledge of the most up-to-date laws and information helps protect buyers and sellers in a transaction, and instills consumer confidence.

HAR believes that the present 10 hour CE requirement, first enacted in 1987, is not sufficient to cover the extensive and continual changes to the real estate industry. In fact, during every two-year licensing period, the Real Estate Commission requires that only 4 CE hours be dedicated to two mandatory courses that cover legislative and legal updates. The remaining six hours is not sufficient to cover other important subject areas.

H.B. 2633 will bring Hawai'i's CE requirements up to a level comparable to other states, and ultimately help real estate licensees' to provide quality service and better protect their clients.

HAR has been working cooperatively with the REC on the increase in CE requirements, to ensure that the quality and content of the CE program provides value to real estate licensees. With an increase in the CE rules, the scope and depth of courses can be improved to cover areas that are vital to the management of a real estate transaction but are not presently included in the curriculum.

For these reasons, HAR respectfully requests the passage of this bill.

Mahalo for the opportunity to testify.



February 2, 2010

**The Honorable Robert N. Herkes, Chair**  
House Committee on Consumer Protection and Commerce  
State Capitol, Room 325  
Honolulu, HI 96813

**RE: H.B. 2633 Relating to Real Estate Licensees**

**HEARING: Wednesday, February 3, 2010 at 2:00 p.m.**

Aloha Chair Herkes, Vice Chair Wakai and Members of the Committee:

I am Ashley Metcalf, Chair, testifying on behalf of the Hawaii League of Young Real Estate Professionals ("HiLYREP"), an organization dedicated to young professionals in real estate, and the young real estate community. HiLYREP strongly supports H.B. 2633 which seeks to increase the total amount of Continuing Education ("CE") hours for real estate licensees from ten-hours to twenty-hours each biennial licensing period.

The median age of REALTORS® is 54-years-old. In an industry with this median age, young professionals feel they are held to a higher level of professionalism and credibility. In order to achieve this higher standard we are committed to furthering our education by enrolling in courses which review the many integral and continual changes in our industry. Our REALTOR® mentors are leaders in the field and provide guidance on our skills. However, the education received from classroom instruction by qualified instructors will advance the level of professionalism for young real estate agents. Our advancement will be made possible by increasing the required CE hours from ten-hours to twenty-hours every two-year licensing period.

Increasing the competency of real estate licensees is an integral issue for young real estate professionals. Our clients hold us accountable for our expertise in the field of real property, thus the very least that we can do to maintain, but ultimately increase, our proficiency is spend more time investing in education related to real property matters. By requiring real estate licensees to enroll in a minimum of twenty-hours of CE, young real estate professionals will be better equipped and qualified to assist and protect clients interests.



HiLYREP has partnered with the Hawaii Association of REALTORS®, Honolulu Board of REALTORS®, and The Hawaii Aloha Chapter of Certified Residential Specialists (CRS) to ensure that young real estate professionals are given the tools and resources necessary to become well-educated REALTORS®. Working together we cooperatively promote professional growth through classroom education, webinars, seminars and one-on-one programs.

The CE requirement must be increased from ten to twenty hours to serve the interests of our industry professionals especially the young demographic. Thus, HiLYREP strongly supports the passage of this bill.

Thank you for the opportunity to testify on behalf of HiLYREP.



**ROWENA B. COBB**

P.O. Box 157  
 Koloa, HI 96756-0157  
 Phone (808) 742-9497  
 FAX (808) 742-9556

February 2, 2010

**HEARING: Wednesday, February 3, 2010 at 2:00 p.m.**

**The Honorable Robert N. Herkes, Chair**

House Committee on Consumer Protection and Commerce  
 State Capitol, Room 325  
 Honolulu, Hawaii 96813

**SUBJECT: H.B. 2633 Relating to Real Estate Licensees**

Chair Herkes, Vice Chair Wakai and Members of the Committee:

This testimony is provided to **strongly support H.B. 2633** which increases the amount of Continuing Education ("CE") hours for real estate licensees from 10 hours to a minimum of 20 hours for every 2 year licensing period.

As a Principal Broker for over 25 years and an instructor for both the Hawaii Association of Realtors® (HAR) and the Kauai Board of Realtors® (KBR), I have witnessed the changes and the growth in real estate industry. As an educator, I have always encouraged and promoted education whenever possible in an effort to raise the level of professionalism of the real estate licensees. It is not only a benefit to the individual but to better assist our clients and the public.

The current Education requirement of 10 credit hours which must be completed within a 2-year licensing period is one of the lowest nationally. Included in the current structure, courses that address updates to the state and federal laws as well as changes in our industry are mandatory totaling 4 hours. The remaining six hours are elective allowing agents to seek courses that can be beneficial in the profession. As a side note, if a licensee takes two (2) courses of three (3) credits each, only two different subject matter courses will be taken. In a two year period, the scope of education is limited. The CE requirement sets a precedent for learning...even those who do not look forward sitting in a classroom.

Changes within the complex profession which includes property management, FHA, HUD regulations, residential , vacant land, condominium and commercial brokerages have been profound since 1987 when CE was first mandated. As a former member and chair of the Standard Forms Committee for HAR, the concerted effort to incorporate critical and timely information into the forms has been constant expanding forms that will keep Realtor® members informed to the benefit of the consumer. This is insufficient.

To expand the hours required (a minimum of 20 hours) , a broader spectrum of courses would become made available thereby assisting in better educating licensees.

**Your support of this bill to increase the education requirements of the licensee will assist to advance the professionalism of all licensees and sequentially, assist the consumer.**

Thank you for this opportunity of testifying.

*Rowena B Cobb*

Rowena B Cobb, CRB, CRS, GRI, ePRO

Principal Broker/Owner

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Testimony 2633