

**PRESENTATION OF THE
REAL ESTATE COMMISSION**

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2010

Wednesday, February 24, 2010
2:00 p.m.

**TESTIMONY ON SENATE BILL NO. 2602, 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 Senate Bill No. 2602, Relating to Real Estate Licensees. The Commission supports, in concept, Section 3 of Senate Bill No. 2602 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 46th 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 23, 2010

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

RE: S.B. 2602 Relating to Real Estate Licensees

HEARING: Wednesday, February 24, 2010 at 2:00 p.m.

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

I am Rowena Cobb, Chair of the Government Affairs Committee, 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** S.B. 2602 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 and requires a real estate licensee to possess a high school diploma or its equivalent.

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.

S.B. 2602 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 23, 2010

The Honorable Robert N. Herkes, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 325
Honolulu, HI 96813

RE: S.B. 2602 Relating to Real Estate Licensees

HEARING: Wednesday, February 24, 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 S.B. 2602 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 and require that each real estate licensee possess a high school diploma or its equivalent.

Young professionals believe they are held to a higher level of professionalism and credibility and 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. Cycles in the real estate market, similar to those in the economy, are expected and therefore it is vital that we stay ahead of the shift by preparing ourselves through more CE hours.

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® to ensure that young real estate professionals are equipped with 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.

