

Minutes



Standard Forms Committee Meeting
Thursday, March 16, 2017
Honolulu Country Club

The Standard Forms Committee ("SFC") meeting for the HAWAII ASSOCIATION OF REALTORS® was held on Thursday, March 16, 2017 at the Honolulu Country Club. The meeting was called to order at 9:40 a.m. by Chair Eric Yama.

CALL TO ORDER

Chair Eric Yama; Vice Chair Arabel Camblor; Sharon Brown; Beth Daily; Patti Ichida; Lori Kaizawa; Liz Moore; Roy Sakamoto; Dusty Woodstock. Ex-Officio: John Harris; Mike Curtis. Staff Liaison: Ethel Keyes. Guest: Shimpei Oki.

ATTENDEES

Since the YPN Committee meeting was held on the same day as the SFC meeting, both committees held a meet and greet prior to both meetings. The YPN Committee stayed to observe the beginning of the SFC meeting.

There were no corrections to the February 16, 2017 meeting as circulated.

MINUTES

UPDATES

- Mike Curtis informed the SFC about the status of the recommendation made at the last SFC meeting to the GAC. He said it is premature for this year but possibly for next year. He and Arabel Camblor updated the SFC on bills moving through the legislature that may impact standard forms as well as the real estate industry in general. Bills discussed included:
 - HB 631 - Requires an owner or prior owner of an abandoned well to repair or seal the well at the owner's or prior owner's expense. Appropriates funds for three new positions to assist DLNR with the inspection of abandoned wells, the enforcement of well construction and pump installation standards, and enforcement of well abandonment requirements. (bill is dead)
 - HB1249 - Requires the Department of Business, Economic Development, and Tourism to convene a working group to develop standards for reporting energy consumption to facilitate comparisons of energy consumption and costs by consumers and homebuyers. (HAR submitted concerns)
 - SB119 - Requires landlords to disclose in writing the tenant's ability to establish a new due date for rent payment if the tenant receives public assistance. Establishes a cap of five per cent on late rent payment fees, applicable to all new rental agreements and rental agreement renewals entered into on or after the effective date of this measure. (HAR opposes)
Note: If this bill passes, it may necessitate a special forms release for the Rental Agreement.
 - HB223 - Allows a landlord or landlord's agent to charge an application screening fee as part of the applicant screening process for renting residential property. Sets limits on the amount of the application screening fee and requires the landlord or agent to return any unauthorized fee amounts to the applicant. (HAR opposes)
 - SB394 - Creates criminal penalties for real estate brokers for improper deposit, segregation, or disposition of client trust account funds. Requires the principal broker to report the client trust account number and name of the managing institution to the real estate commission. Specifies that the principal broker must report changes in the account number and account location within ten days of a

change. Authorizes the real estate commission to take action in circuit court to enforce client trust account requirements. (HAR opposes)

- HB1418 - Amends the county exemptions from building permit and building code requirements to ensure that Hawaii's communities are not suspended from participation in the NFIP. (HAR strongly supports)
- HB50 - Establishes an Appraisal Management Company Registration Program within the Department of Commerce and Consumer Affairs to conform to minimum standards of the Appraisal Management Companies Final Rule and Dodd-Frank Wall Street Reform and Consumer Protection Act. Establishes registration requirements, standards, and penalties for violations. (HAR strongly supports)
- Eric Yama informed everyone that the Board of Directors approved the SFC Charter.
- Ethel Keyes informed the SFC that the July meeting date has been rescheduled to Wednesday, July 19, 2017.
- Ethel Keyes informed the SFC that zipLogix finally has the capability of reprogramming the RR109- SRPDS in the zipForm Plus program so that the agent and client are able to fill out specified sections of the form. However, they are not able to reprogram the form so that the client is allowed to only check one answer for each question. Several questions were brought up during the discussion:
 - If a client makes a mistake, will the client be able to make a correction after the form has been signed and sent back to the agent?
 - If a client checks yes, will it automatically go to Section G and fill out the referenced question number so that the client can further explain?

Ethel will research this further with zipLogix and report the outcome at the next SFC meeting.

- Subcommittees' Progress Reports
 - RR201 – Purchase Contract: Subcommittee made it through the contract. Still few topics to revisit during April subcommittee meeting.
 - RR111 – Distressed Property Addendum to Exclusive Right-to-Sell Listing Contract: Lots of changes due to amended law. Need to meet with Shimpei.
 - RR222 – Distressed Property Addendum to Purchase Contract: Lots of changes due to amended law. Need to meet with Shimpei.
 - RR213 – “As Is” Condition Addendum: Draft submitted. Ready for May meeting. The subcommittee was asked to be ready with a recommendation to either eliminate the form or to keep it when presenting this form to the SFC.
 - NEW FORM – Dual Agency Addendum to the Exclusive Right-to-Sell Listing Contract and/or Buyer Representation Contract: Working on it. Not due until sometime next year.
 - RR224 – VA Financing Addendum: Subcommittee is ready for May meeting.
 - RR225 – FHA Addendum: Subcommittee is ready for May meeting.
 - RR203 – Agreement of Sale Addendum: Will meet in 2nd quarter.
 - RR205 – Purchase Money Mortgage Addendum: Will meet in 2nd quarter.
 - RR220 – Oceanfront Property Addendum: Will wait until after flood insurance issue is settled.

It was brought up by the Oceanfront Property Addendum Subcommittee that a new form specifically for flood disclosure needs to be created. Discussion was held.

A motion was adopted that the SFC recommends to the Executive Committee to create a Flood Disclosure Addendum.

Rationale: Because of the changes to insurance rates, flood insurance program and the unique attributes to non-oceanfront properties that may be subject to flooding.

RR105c – Project Information Form

UNFINISHED/NEW BUSINESS

Chair Eric Yama gave a recap of what has transpired up to this point after meeting with HAMB, MBAH and CAI representatives. Discussion was held. Further revisions were made.

A motion was adopted that the SFC recommends to the Executive Committee to approve the RR105c – Project Information Form.

Rationale: Complete revision.

2. RR108 – Receipt of Project Information Form

The SFC reviewed the subcommittee's revisions. Discussion was held. Further revisions were made.

A motion was adopted That the SFC recommends to the Executive Committee to approve the RR108 – Receipt of Project Information Form.

Rationale: Complete revision.

There being no further business, the meeting was adjourned at 3:28 p.m.

ADJOURNMENT

Ethel Keyes
Manager of Member Services