



# FOREIGN INVESTOR GUIDE

Buying or Selling Property  
in Hawaii as a Foreign Investor

[oldrepublictitle.com/hawaii](https://oldrepublictitle.com/hawaii)



# Why Old Republic Title?

When you select a title insurer, you've chosen a company you can rely on as long as you or your heirs own a property. Old Republic Title's value doesn't just come from being in business for more than a century. It's much more than that.

At Old Republic Title, you'll find exceptional customer service every step of the way. Through each stage of the process, you'll work with experienced title insurance professionals who strive to provide prompt delivery of our products and services.

How do we know you'll work with experienced professionals? We keep our standards high. Whether it's state or regional counsel, title officers, title searchers, underwriters or escrow officers, we recruit individuals with knowledge and skill in the title insurance and real estate industries—many of whom build long careers with Old Republic Title.

Our products and services are designed to protect our customers associated with a real estate transaction. Whether you're a homeowner, title agent, real estate professional, builder or lender, we provide solutions to meet your needs. We take the mystery out of the complex settlement process by providing advanced technology solutions that meet high compliance standards.

The value of our services is backed by financial strength that is unsurpassed in the title insurance industry. Since 1992, no other title insurer has had higher overall ratings than Old Republic Title. By carefully considering each financial step we take, we make every effort to ensure we'll be here to serve you for many years to come.

# What is Escrow?

Making a very large purchase, such as a house, causes buyers, sellers and lenders to seek reassurance about all the security measures that are in place to protect the funds involved in the closing transaction. Transferring large sums of money and finalizing the details of your sale needs to be done safely and in compliance with the latest security and privacy standards. To help minimize risks during real estate transactions, the escrow/settlement process was developed to protect the buyer, seller and lender.

An escrow account is basically a temporary pass through account held by the escrow holder. The escrow holder is a neutral third party that holds funds and related documents in a secure manner while the parties work through the details of the real estate transaction. Escrow ensures the conditions of the real estate transaction have been met before the property and/or money change hands.

## How Does Escrow Work?

The escrow process starts when a party to a real estate transaction (seller, seller's agent, buyer or buyer's agent) opens the escrow after a written sale agreement is reached. Upon opening, the escrow holder should be provided with the terms of the sale and the information necessary to carry out tasks. The escrow holder's duties and the timing of key tasks vary between states.

While your real estate transaction is in escrow, your escrow officer and agent will work with you to make sure the right steps are taken at the right time. Tasks that the escrow holder may complete include:

- Coordinating communications between all parties in the transaction
- Preparing written escrow instructions
- Requesting a preliminary report or commitment
- Requesting a statement of identity (information) from the buyer or seller as needed
- Ordering demands or beneficiary statements
- Receiving bills from home warranty companies, as well as pest, roof, home and other inspection companies
- Preparing or securing the deed or other recordable documents
- Complying with lender's requirements
- Prorating taxes, interest, insurance and rents
- Receiving purchase funds required for closing
- Coordinating recording of deeds and any other necessary documents
- Closing escrow when all the instructions of the buyer, seller and lender have been carried out
- Disbursing funds as authorized, including charges for title insurance, recording fees, real estate commissions and loan payoffs
- Preparing final statements for the parties, which account for the disposition of all funds deposited in escrow

When all instructions in escrow have been carried out to the satisfaction of each party, the escrow is ready to be closed. With closing, the title to the property is transferred to the buyer, the sales proceeds are paid over to the seller, necessary documents are recorded and title insurance is issued. It is important to note that the escrow holder does not offer legal advice, negotiate the transaction or offer investment advice.

# What is Title Insurance and How Does It Work?

To put it simply, title insurance is a way to protect yourself from financial loss and related legal expenses in the event there is a defect in title to your property that is covered by the policy. Title insurance differs from other types of insurance in that it focuses on risk prevention, rather than risk assumption. With title insurance, title examiners review the history of your property and seek to eliminate title issues before the purchase occurs. Title insurance also differs in that it comes with no monthly payment. It's just a one-time premium paid at closing.

## Do I need Title Insurance?

Absolutely. Title insurance is a way to protect what is likely your largest investment—your home. An Owner's Policy provides peace of mind that your title company will stand behind you if a covered title issue or defect arises after you have bought your home.

## What Does Title Insurance Cover?

Any number of title issues may arise, even after the most meticulous search of public records. These hidden defects are dangerous because you might not learn about them for months, or even years, after purchase. Some common examples of risks covered by your Owner's Policy include defects in title caused by:

- Improper execution of documents
- Mistakes in recording or indexing legal documents
- Forgeries and fraud
- Undisclosed or missing heirs
- Unpaid taxes and assessments
- Unpaid judgments and liens
- Unreleased mortgages
- Mental incompetence of grantors on the deed
- Impersonation of the true owners of the land by fraudulent persons
- Refusal of a potential purchaser to accept title based on the condition of the title

## How Much Does Title Insurance Cost?

The one-time premium that you'll pay for a title insurance policy varies by state, but generally is related to the value of your property. You can use our Rate Calculator to estimate how much your title insurance policy may cost.

## What's Owner's Title Insurance?

An Owner's Title Policy is designed to protect you from covered title defects that existed prior to the issue date of your policy. If a valid claim is filed, your Owner's Policy, subject to its terms and conditions, will cover financial loss up to the face amount of your policy.

## What's Lender's Title Insurance?

A Lender's Policy provides no coverage to the homeowner. A Lender's Policy insures that your lender has a valid, enforceable lien on your property. Most lenders require borrowers to purchase this type of insurance policy to protect their investment.

# AVOID ESCROW PITFALLS



## **Will any of these situations affect your transaction?**

- Are your principals exchanging this property?
- Will your principals be using a power of attorney?
- Are any of the parties on title deceased?
- Has there been a change of marital status?
- Do any of the parties signing NOT have a photo ID or Driver's License?
- Will there be a new entity formed (e.g. Partnership or Corporation)?
- Have any of the principals recently filed bankruptcy?
- Are the sellers of this property not residents of the State of Hawaii?
- Are any of the principals minors?

**If you answered "yes" to any of these questions,  
please contact your escrow officer.**

**HARPTA** - The Hawaii Real Property Tax Act (1990) which says that a sale of Hawaii Real Estate by a Non-Hawaii resident is subject to a Hawaii State Tax. The tax liability belongs to the seller, and 7.25% of the total sales price will be withheld and submitted to the State of Hawaii Department of Taxation.

There are some exemptions from this withholding:

- Hawaii Resident (Must fill out form N-289, which is provided to seller in opening instructions)
- Foreign corporations and partnerships which are registered to do business in the state of Hawaii (Must fill out form N-289, which is provided to seller in opening instructions)
- Property used as principal residence for year prior to the sale and sales price does not exceed \$300,000

For more information on these taxes, please call the appropriate departments or visit their website.

**HARPTA - State of Hawaii Department of Taxation:**

Oahu 808.587.4242

Maui 808.984.8500

Kauai 808.274.3456

Big Island-Hilo 808.974.6321

or visit [www.hawaii.gov/tax](http://www.hawaii.gov/tax)

**FIRPTA - Internal Revenue Service**

[www.irs.gov](http://www.irs.gov) and search for FIRPTA

**FIRPTA** - Under current federal law, if a foreign person sells US real property, the buyer is obligated to withhold 10% of the gross sales price and remit this to the IRS. However, pursuant to the Protecting Americans from Tax Hikes Act of 2015, which became law on December 18, 2015 (the "PATH Act") **the required 10% withholding will increase to 15% for all closings occurring on or after February 17, 2016**, except those wherein the sales price is greater than \$300,000 and does not exceed \$1,000,000 and the buyer acquires the property for use as a personal residence. Under the circumstance, a reduced withholding of 10% will apply.

Sales Price \$300,000 or less <b>and the buyer acquires as personal residence</b>	No Withholding
Sales Price more than \$300,000 but not more than \$1,000,000 <b>and the buyer acquires as personal residence</b>	10% Withholding
<b>All transactions - Any Sales Price and the buyer NOT acquiring as personal residence</b>	15% Withholding

In short, **if a foreign person is selling a US real property interest, the following parameters apply** UNLESS THERE IS AN EXCEPTION FROM WITHHOLDING:

No withholding is required under the following circumstances:

- Buyer acquires for use as a personal residence and sales price not more than \$300,000.
- Seller provides Non-Foreign Affidavit
- Seller provides a Withholding Certificate from the IRS which excuses the withholding
- The amount realized by the seller is zero
- The property is acquired by the United States or a political subdivision thereof



# BUYER VS. SELLER COSTS

## Standard Allocation of Closing Fees

### BUYER COST

40% of the premium for standard coverage title insurance and any additional cost relating to the issuance of extended coverage policy

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50 % of Escrow Fee

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Lender's Policy

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Cost of obtaining Buyer's consent

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Buyer's notary fees

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Cost of drafting mortgage or agreement of sale

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All recording fees except documents relating to clear Seller's title

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Condominium and Association ownership transfer fee

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FHA or VA discount points and any mortgage fees

### SELLER COST

60% of the premium for standard coverage title insurance

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50% of Escrow Fee

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Cost of drafting conveyance documents and bill of sale

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Cost of obtaining Seller's consent

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Seller's notary fees

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Cost of required staking or survey

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Recording fees to clear Seller's title

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Cost of required Condominium and Association documents

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FHA or VA mandatory closing fees

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Cost of required termite inspection report

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Conveyance Tax

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FIRPTA (Federal Withholding Tax)

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HARPTA (State Withholding Tax)

**Visit [www.oldrepublictitle.com/hawaii](http://www.oldrepublictitle.com/hawaii) and use our Online Netsheets tool to calculate your estimated fees**



# Foreign Investment in Real Property Tax Act of 1980 and Section 1031 Exchanges-2016 Update

## **What is the definition of “foreign person” under FIRPTA?**

FIRPTA defines a “foreign person” as a non-resident alien individual, a foreign corporation that has not made an election under section 897(i) of the Internal Revenue Code to be treated as a domestic corporation, a foreign partnership, a foreign trust, or a foreign estate. The term “foreign person” does not include a resident alien individual.

## **Who is required to withhold and remit the withholding to the IRS?**

The buyer/transferee and certain agents of the buyer are responsible for withholding the required amount.

## **How and when is the withholding paid?**

The tax must be reported and paid using IRS Form 8288, which must be filed with the IRS by the 20th day after the date of the transfer.

For a comprehensive list of the exceptions, see the following IRS link:

<https://www.irs.gov/Individuals/International-Taxpayers/Exceptions-from-FIRPTA-Withholding>

## **What is a notice of non-recognition?**

A notice of non-recognition is a written notice given by the seller to the buyer stating that no recognition of any gain or loss on the transfer is required because of a non-recognition provision in the Internal Revenue Code – e.g. IRS section 1031 – or a provision in a U.S. tax treaty. The buyer is required to file a copy of the notice with the IRS by the 20th day after the date of transfer. The notice must contain the seller’s TIN. There is no promulgated form for this notice.

A buyer is personally liable under FIRPTA if there is ultimately any actual tax liability to the seller resulting from the sale. The IRS can assess the full withholding amount or the seller’s actual tax liability on the sale, whichever is less, plus interest and penalties. Thus, a buyer should never close a sale in reliance on a notice of non-recognition transaction except on the advice of a CPA, attorney, or other tax advisor because personal

liability can result from reliance on an improper notice of non-recognition.

## **How does the seller obtain a Withholding Certificate?**

A transferor looking to reduce or eliminate the FIRPTA withholding amount must file a Form 8288-B, “Application for Withholding Certificate for Disposition by Foreign Persons of U.S. Real Property”. A transferor who does not have a TIN/SSN must apply for a TIN/SSN (via W-7 form), preferably well ahead of closing.

## **How does withholding affect a seller’s 1031 exchange?**

A seller in a 1031 exchange may use proceeds only to pay necessary expenses of sale or for the purchase of replacement property. Amounts expended for other items will be taxable. Thus, it is important for foreign sellers to recognize that using proceeds to pay the FIRPTA has a taxable consequence because FIRPTA is not considered a necessary expense of sale. To avoid this result, sellers should bring in cash to the closing agent to pay for the FIRPTA withholding, thus allowing all proceeds generated by the sale to be used in the exchange.

Choose Old Republic Exchange to handle your next exchange. We have offices nationwide to serve you and/or your client’s exchange needs.





# Withholding Certificate & Tax Identification Number

## **What if the seller applies for a Withholding Certificate to excuse withholding and the application is still pending at the time of the disposition?**

If an application for a Withholding Certificate is submitted to the IRS on or before the date of a transfer and the application is still pending on the date of transfer, the withholding tax must be withheld.

**A Taxpayer Identification Number (TIN)** is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

## **Examples of Taxpayer Identification Numbers:**

Social Security Number "SSN"

Employer Identification Number "EIN"

Individual Taxpayer Identification Number "ITIN"

## **Do You Need a Tax Identification Number (TIN)?**

A TIN must be furnished on returns, statements, and other tax related documents.

## **Types of Taxpayer Identification Numbers (TINs):**

### **SSN**

You will need to complete Form SS-5, Application for a Social Security Card (PDF). You also must submit evidence of your identity, age, and U.S. citizenship or lawful alien status. For more information please see the Social Security web site. Form SS-5 is also available by calling 1-800-772-1213 or visiting your local Social Security office. These services are free.

### **EIN**

An Employer Identification Number (EIN) is also known as a federal tax identification number, and is used to identify a business entity. Refer to Employer ID Numbers for more information.

### **ITIN**

An ITIN, or Individual Taxpayer Identification Number, is a tax processing number only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number "9", formatted like an SSN (NNN-NN-NNNN). To obtain an ITIN, you must complete IRS Form W-7, IRS Application for Individual Taxpayer Identification Number (PDF).

# Application for IRS Individual Taxpayer Identification Number

OMB No. 1545-0074

► For use by individuals who are not U.S. citizens or permanent residents.  
► See separate instructions.

**An IRS individual taxpayer identification number (ITIN) is for federal tax purposes only.**

**Before you begin:**

- **Don't submit this form if you have, or are eligible to get, a U.S. social security number (SSN).**
- **Getting an ITIN doesn't change your immigration status or your right to work in the United States and doesn't make you eligible for the earned income credit.**

Application Type (Check one box):

- ☐ Apply for a New ITIN  
☐ Renew an Existing ITIN

**Reason you're submitting Form W-7.** Read the instructions for the box you check. **Caution:** If you check box **b, c, d, e, f, or g, you must file a U.S. federal tax return with Form W-7 unless you meet one of the exceptions** (see instructions).

- a** ☐ Nonresident alien required to get an ITIN to claim tax treaty benefit  
**b** ☐ Nonresident alien filing a U.S. federal tax return  
**c** ☐ U.S. resident alien **(based on days present in the United States)** filing a U.S. federal tax return  
**d** ☐ Dependent of U.S. citizen/resident alien } Enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions) ►  
**e** ☐ Spouse of U.S. citizen/resident alien }  
**f** ☐ Nonresident alien student, professor, or researcher filing a U.S. federal tax return or claiming an exception  
**g** ☐ Dependent/spouse of a nonresident alien holding a U.S. visa  
**h** ☐ Other (see instructions) ►
- Additional information for **a** and **f**: Enter treaty country ► and treaty article number ►

<b>Name</b> (see instructions) Name at birth if different . . . ►	<b>1a</b> First name	Middle name	Last name
	<b>1b</b> First name	Middle name	Last name

**Applicant's mailing address**

**2** Street address, apartment number, or rural route number. **If you have a P.O. box, see separate instructions.**

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

**Foreign (non-U.S.) address**  
(if different from above)  
(see instructions)

**3** Street address, apartment number, or rural route number. **Don't use a P.O. box number.**

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

**Birth information**

<b>4</b> Date of birth (month / day / year)	Country of birth	City and state or province (optional)	<b>5</b> <input type="checkbox"/> Male <input type="checkbox"/> Female
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**Other information**

<b>6a</b> Country(ies) of citizenship	<b>6b</b> Foreign tax I.D. number (if any)	<b>6c</b> Type of U.S. visa (if any), number, and expiration date
<b>6d</b> Identification document(s) submitted (see instructions) <input type="checkbox"/> Passport <input type="checkbox"/> Driver's license/State I.D. <input type="checkbox"/> USCIS documentation <input type="checkbox"/> Other _____ Issued by: _____ No.: _____ Exp. date: ____ / ____ / ____ Date of entry into the United States (MM/DD/YYYY): ____ / ____ / ____		
<b>6e</b> Have you previously received an ITIN or an Internal Revenue Service Number (IRSIN)? <input type="checkbox"/> <b>No/Don't know.</b> Skip line 6f. <input type="checkbox"/> <b>Yes.</b> Complete line 6f. If more than one, list on a sheet and attach to this form (see instructions).		
<b>6f</b> Enter ITIN and/or IRSIN ► <b>ITIN</b> ____-____-____-____ <b>IRSIN</b> ____-____-____-____ and name under which it was issued ► First name Middle name Last name		
<b>6g</b> Name of college/university or company (see instructions) _____ City and state Length of stay _____		

**Sign Here**

Keep a copy for your records.

Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to share information with my acceptance agent in order to perfect this Form W-7, Application for IRS Individual Taxpayer Identification Number.

Signature of applicant (if delegate, see instructions)	Date (month / day / year)	Phone number
Name of delegate, if applicable (type or print)	Delegate's relationship to applicant	<input type="checkbox"/> Parent <input type="checkbox"/> Court-appointed guardian <input type="checkbox"/> Power of Attorney

**Acceptance Agent's Use ONLY**

Signature	Date (month / day / year)	Phone
Name and title (type or print)	Name of company	EIN PTIN
		Office Code

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10229L

Form **W-7** (Rev. 9-2016)

**This is only a sample. For the most updated copy, visit [www.irs.gov/forms-instructions](http://www.irs.gov/forms-instructions).**

► Please type or print.

<b>1</b>	Name of transferor (attach additional sheets if more than one transferor)	<b>Identification number</b>
Street address, apt. or suite no., or rural route. Do not use a P.O. box.		
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
<b>2</b>	Name of transferee (attach additional sheets if more than one transferee)	<b>Identification number</b>
Street address, apt. or suite no., or rural route. Do not use a P.O. box.		
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
<b>3</b>	Applicant is:    Transferor <input type="checkbox"/> Transferee <input type="checkbox"/>	
<b>4a</b>	Name of withholding agent (see instructions)	<b>b   Identification number</b>
<b>c</b>	Name of estate, trust, or entity (if applicable)	<b>d   Identification number</b>
<b>5</b>	Address where you want withholding certificate sent (street address, apt. or suite no., P.O. box, or rural route number)	Phone number (optional)
City, state or province, and country (if not U.S.). Include ZIP code or postal code where appropriate.		
<b>6</b>	Description of U.S. real property transaction:	
<b>a</b>	Date of transfer (month, day, year) (see inst.) _____	
<b>b</b>	Contract price \$ _____	
<b>c</b>	Type of interest transferred: <input type="checkbox"/> Real property <input type="checkbox"/> Associated personal property <input type="checkbox"/> Domestic U.S. real property holding corporation	
<b>d</b>	Use of property at time of sale: <input type="checkbox"/> Rental or commercial <input type="checkbox"/> Personal <input type="checkbox"/> Other (attach explanation)	
<b>e</b>	Adjusted basis \$ _____	
<b>f</b>	Location and general description of property (for a real property interest), description (for associated personal property), or the class or type and amount of the interest (for an interest in a U.S. real property holding corporation). See instructions. _____ _____ _____	
<b>g</b>	For the 3 preceding tax years:	
<b>(1)</b>	Were U.S. income tax returns filed relating to the U.S. real property interest? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," when and where were those returns filed? ► _____	
<b>(2)</b>	Were U.S. income taxes paid relating to the U.S. real property interest? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the amount of tax paid for each year ► _____	
<b>7</b>	Check the box to indicate the reason a withholding certificate should be issued. See the instructions for information that must be attached to Form 8288-B.	
<b>a</b>	<input type="checkbox"/> The transferor is exempt from U.S. tax or nonrecognition treatment applies.	
<b>b</b>	<input type="checkbox"/> The transferor's maximum tax liability is less than the tax required to be withheld.	
<b>c</b>	<input type="checkbox"/> The special installment sales rules described in section 7 of Rev. Proc. 2000-35 allow reduced withholding.	
<b>8</b>	Does the transferor have any unsatisfied withholding liability under section 1445? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No See the instructions for information required to be attached.	
<b>9</b>	Is this application for a withholding certificate made under section 1445(e)? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," check the applicable box in <b>a</b> and the applicable box in <b>b</b> below.	
<b>a</b>	Type of transaction: <input type="checkbox"/> 1445(e)(1) <input type="checkbox"/> 1445(e)(2) <input type="checkbox"/> 1445(e)(3) <input type="checkbox"/> 1445(e)(5) <input type="checkbox"/> 1445(e)(6)	
<b>b</b>	Applicant is: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Other person required to withhold. Specify your title (e.g., trustee) ► _____	

Under penalties of perjury, I declare that I have examined this application and accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature

Title (if applicable)

Date \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Cat. No. 10128Z

Form **8288-B** (Rev. 2-2016)

**This is only a sample. For the most updated copy, visit [www.irs.gov/forms-instructions](http://www.irs.gov/forms-instructions).**



**FORM  
N-288B**  
(REV. 2018)



STATE OF HAWAII — DEPARTMENT OF TAXATION  
**Application for Withholding Certificate  
for Dispositions by Nonresident  
Persons of Hawaii Real Property  
Interest**

Copy A - For State of Hawaii, Department of Taxation

- File Copies A and B of this form with the Department of Taxation.
- DO NOT file Form N-288B if the transfer of property has already taken place. The Department of Taxation will not approve Form N-288B after the date of transfer reported on line 4a has passed.
- Please be sure to complete ALL lines and attach ALL supporting documentation OR your application will be rejected.
- See Instructions on the back of Copy B.

<b>1</b> Name of applicant (Transferor/seller)		<b>Identification number (SSN or FEIN)</b>	
Mailing address where you want withholding certificate sent		<b>Daytime phone no. of applicant</b> ( )	
City, State, and ZIP code (province, postal code, and country)			
<b>2</b> Names of all transferors/sellers (Attach additional sheets if more than one transferor/seller.)		<b>Identification number (SSN or FEIN)</b>	
Address (number and street)			
City, State, and ZIP code (province, postal code, and country)			
<b>3</b> Names of all transferees/buyers (Attach additional sheets if more than one transferee/buyer.)		<b>I.D. no. (Last 4 numbers of the SSN or FEIN)</b>	
Address (number and street)			
City, State, and ZIP code (province, postal code, and country)			
<b>4</b> Description of Hawaii real property transaction: <b>a</b> Date of transfer (month, day, year). <b>DO NOT</b> file Form N-288B if the transfer of property has already taken place. The Department of Taxation will not approve Form N-288B after the date of transfer has passed. <b>b</b> Location and general description of property (Include tax map key number)			
<b>5</b> Check the box to indicate the reason a withholding certificate should be issued. <b>NOTE:</b> The transferor/seller is required under section 235-92, HRS, to file an income tax return whether or not the person derives a taxable gain. <input type="checkbox"/> <b>a</b> The transferor/seller will not realize any gain with respect to the transfer. (Complete <b>5a</b> on the back of Copy A.) <input type="checkbox"/> <b>b</b> There will be insufficient proceeds to pay the withholding required under section 235-68(b), Hawaii Revised Statutes, after payment of all costs, including selling expenses and the amount of any mortgage or lien secured by the property. (Complete <b>5b</b> on the back of Copy A.)			
<b>6</b> Was the property used at anytime as a rental? ..... Yes <input type="checkbox"/> No <input type="checkbox"/>		<b>Hawaii Tax I.D. Number</b>	
If yes, enter your Hawaii Tax I.D. Number.		GE - - - - - - - - - -	

**Please  
Sign  
Here**

I hereby declare under penalties provided by section 231-36, HRS, that I have examined this application and accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

➤ _____ Signature	_____ Title (If applicable)	_____ Date
➤ _____ Spouse's signature (If applicable)	_____ Title (If applicable)	_____ Date

**FOR OFFICIAL USE ONLY:**

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_  
Month Day Year Month Day Year

Amount required to be withheld \$ \_\_\_\_\_

Signature \_\_\_\_\_

# Common Ways to Hold Title in Hawaii

	TENANT IN SEVERALTY	TENANCY IN COMMON	JOINT TENANCY	TENANTS BY THE ENTIRETY
<b>Definition</b>	Property held by one person, severed from all others.	Property held by 2 or more persons, with no right of survivorship.	Property held by 2 or more individuals (not corporations, partnerships, etc.) with right of survivorship.	Property held by spouses, with rights of survivorship.
<b>Creation</b>	Any transfer to one person.	By express act; also by failure to express the tenancy.	Express intention plus 4 unities of time, title, interest and possession (with statutory exception).	Express intention, only spouses. Divorce automatically results in tenants in common.
<b>Possession</b>	Total.	Equal right of possession.	Equal right of possession.	Equal right of possession.
<b>Title</b>	One title to one entity.	Each co-owner has a separate legal title to his undivided interest, will be equal interests unless expressly made unequal.	One title to the whole property since each tenant is theoretically deemed owner of whole; must be equal undivided interests.	One title in the marital unit.
<b>Conveyance</b>	No restrictions (check for release of marital rights, if any).	Each co-owner's interest may be conveyed separately by its owner; purchaser becomes tenant in common.	Conveyance of one co-owner's interest breaks his tenancy; purchaser becomes tenant in common.	Cannot convey without consent of spouse.
<b>Effect of Death</b>	Entire property subject to probate and included in gross estate for federal and state death taxes.	Decedent's fractional interest subject to probate and included in gross estate for federal and state death taxes. The property passes by will to devisees or heirs, who take as tenants in common. No survivorship rights.	No probate and can't be disposed of by will; property automatically belongs to surviving co-tenants (last one holds in severalty). Entire property included in decedent's gross estate for federal estate tax purposes minus % attributable to survivor's contribution.	Right of survivorship so no probate. Same death taxes as joint tenancy.
<b>Creditor's Rights</b>	Subject to creditor claims.	Co-owner's fractional interest may be sold to satisfy his creditor who then becomes tenant in common.	Joint tenant's interest also subject to execution sale. Joint tenancy is broken and purchaser becomes tenant in common. Creditor gets nothing if debtor dies before sale.	Only a creditor of both spouses can execute on property.
<b>Presumed By Law</b>	None.	Favored in doubtful cases; presumed to be equal interests.	Not favored so must be expressly stated.	Must be expressly stated.

# REAL PROPERTY TAX RATES

Fiscal Year Beginning July 1, 2019 through June 30, 2020

## HONOLULU County

Classification	Taxable Property per/\$1,000
Residential	\$3.50
Commercial	\$12.40
Industrial	\$12.40
Agricultural	\$5.70
Preservation	\$5.70
Hotel and Resort	\$13.90
Public Service	\$0.00
Vacant Agricultural	\$8.50
Residential A: Tier 1 - 1st \$1M value	\$4.50
Residential A: Tier 2 - In Excess of \$1M	\$10.50

## MAUI County

Classification	Taxable Land per/ \$1,000	Taxable Bldg. per/\$1,000
A. Residential	\$5.60	\$5.60
B. Apartment	\$6.31	\$6.31
C. Commercial	\$7.39	\$7.39
D. Industrial	\$7.48	\$7.48
E. Agricultural	\$5.94	\$5.94
F. Conservation	\$6.43	\$6.43
G. Hotel and Resort	\$11.00	\$11.00
H. Time Share	\$14.40	\$14.40
I. Homeowner	\$2.90	\$2.90
J. Commercialized Residential	\$4.60	\$4.60
K. Short Term Rental	\$10.75	\$10.75

\*New classification for 2018-2019

## KAUAI County

Classification	Taxable Property per/\$1,000
Residential	\$6.05
Vacation Rental	\$9.85
Commercial	\$8.10
Industrial	\$8.10
Agricultural	\$6.75
Conservation	\$6.75
Hotel and Resort	\$10.85
Homestead	\$3.05
Residential Investor	\$8.05
Commercialized Home Use	\$5.05

## HAWAII County

Classification	Taxable Land per/ \$1,000	Taxable Bldg. per/\$1,000
0 Affordable Rental Housing	\$6.15	\$6.15
1 Residential	\$11.10	\$11.10
2 Apartment	\$11.70	\$11.70
3 Commercial	\$10.70	\$10.70
4 Industrial	\$10.70	\$10.70
5 Agricultural and Native Forest	\$9.35	\$9.35
6 Conservation	\$11.55	\$11.55
7 Hotel/Resort	\$11.55	\$11.55
9 Homeowner	\$6.15	\$6.15

Rates listed are per \$1,000 of net taxable assessed valuation for the fiscal year July 1, 2018 through June 30, 2019.

For more information, please visit your county's website.

## HAWAII STATE: CONVEYANCE TAX RATES

If Purchase price is:	Rate if Purchaser IS eligible for homeowner's exemption	Rate if Purchaser IS NOT eligible for homeowner's exemption
Less than \$600,000	\$.10 per \$100 of Purchase Price	\$.15 per \$100 of Purchase Price
\$600,000 or more but less than \$1,000,000	\$.20 per \$100 of Purchase Price	\$.25 per \$100 of Purchase Price
\$1,000,000 or more but less than \$2,000,000	\$.30 per \$100 of Purchase Price	\$.40 per \$100 of Purchase Price
\$2,000,000 or more but less than \$4,000,000	\$.50 per \$100 of Purchase Price	\$.60 per \$100 of Purchase Price
\$4,000,000 or more but less than \$6,000,000	\$.70 per \$100 of Purchase Price	\$.85 per \$100 of Purchase Price
\$6,000,000 but less than \$10,000,000	\$.90 per \$100 of Purchase Price	\$1.10 per \$100 of Purchase Price
\$10,000,000 or more	\$1.00 of Purchase Price	\$1.25 per \$100 of Purchase Price



# Old Republic Title's Financial Strength and Stability

Maintaining a strong financial position is core to Old Republic Title's strategy for success. Since 1992, no other title insurer has had higher overall ratings than Old Republic Title.\* These financial strength and stability ratings reflect the Company's strong operating performance over the long run, excellent capitalization and liquidity, as well as sound investment and reserving policies. Old Republic Title Insurance Group and its member underwriters have been assigned the following financial ratings:



Our parent company, Old Republic International Corporation (ORI), is among the nation's 50 largest publicly held insurance organizations. It has consolidated assets of approximately \$19.45 billion (as of June 30, 2018). Since 1923, ORI has grown as a specialty insurance business and has one of the industry's best records as a long-term growth company. As a result, it serves many of America's leading industrial and financial services companies.

\* Old Republic Title's underwriters are Old Republic National Title Insurance Company and American Guaranty Title Insurance Company. Ratings as of 10/18. Rating determinations made by rating agencies are subject to change. While the Company attempts to show accurate information, it cannot assure the reliability of ratings referred to herein and assumes no obligation to monitor the ratings of any rating agency or to immediately incorporate any rating changes applicable to the Company.





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Title Department Fax 866.715.8396  
Property Information Dept. Fax 808.566.0224

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