

TAX SALE *Frequently Asked Questions*

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WHAT IS THE DATE, TIME & LOCATION OF THE TAX SALE? Date, time and location are subject to change with each sale and are made public 4 weeks prior to the sale.

WHAT IS THE DATE, TIME & LOCATION OF THE TAX SALE? Sales are advertised in the Hawaii Tribune Herald, Honolulu Star-Advertiser, and West Hawaii Today. The first printing is four (4) weeks prior to the sale and again weekly. You may also find the "Notice of Proposed Sale of Real Property for Failure to Pay Real Property Taxes Due Thereon" on our web site: www.hawaiipropertytax.com – click on "Tax Sale FAQ", then click on "List of Parcels for Tax Sale", scroll down and again click on "List of Parcels for Tax Sale". For general information with regard to ownership, values, and size of parcels etc, see: www.hawaiipropertytax.com on the web.

HOW & WHEN DO I REGISTER FOR THE SALE? There is no registration for this live public auction.

WHAT TYPE OF PAYMENT REQUIREMENTS ARE NEEDED AT THE SALE?

We accept cashier's checks, money orders, travelers checks or cash. No personal checks. No credit cards. We recommend a cashier's check payable to yourself for the maximum amount you intend to bid. If you are a successful bidder, you can endorse the check over to the County Director of Finance (any overage will be returned to you in the form of a County check).

IS PAYMENT IN FULL REQUIRED ON THE DAY OF THE SALE? Yes,

immediately following the successful bid. You must have the full payment with you as you will not be allowed to leave the building to get payment.

DOES YOUR COUNTY OFFER A FINANCING PROGRAM? No.

WHAT TYPE OF DOCUMENT IS ISSUED AT THE SALE? The County will draw up and record a tax deed in the purchaser's name. The recorded tax deed will be mailed to the purchaser after recordation.

WHAT IS A TAX DEED? A tax deed is similar to a quitclaim deed. The County passes the title on "as is" and makes no warranties to the purchaser.

CAN TITLE INSURANCE BE ACQUIRED? In most instances, the title company who did the title search may be able to offer title insurance to the purchaser. Please contact the title company directly.

WHEN DOES THE TITLE PASS? The title to the property passes upon the sale and recording of the deed. The tax deed will be in your name with a reservation for the redemption period.

ONCE A PROPERTY IS ACQUIRED THROUGH THE SALE, IS THERE A REDEMPTION PERIOD? Yes, the prior owner may redeem the property within one year from the date of the sale. If the prior owner contacts you and pays the sale price plus 1% per month interest, he may reclaim his property. As long as contact is made within the one year period, the previous owner has exercised his right and may be entitled to redeem. Please note, the previous owner will contact you directly, the County is not involved in the redemption process.

CAN I BUILD OR SELL DURING THE REDEMPTION PERIOD? We do not recommend that you build during the redemption period as the prior owner is under no obligation to pay you for any improvements that you make to the property. You may, however, be entitled to collect certain other sums you may have expended to keep the title in good standing, such as real property taxes and maintenance fees. You may sell or transfer the property within the redemption period, but be sure to advise the buyer and include the redemption provision in your deed to avoid problems in your transfer.

IF THE PROPERTY IS REDEEMED, DOES THE INVESTOR EARN INTEREST DURING THE REDEMPTION PERIOD? Yes. 12% is the annual interest rate.

DO YOU ALLOW INVESTORS TO INVEST AT THE SALE WITHOUT ATTENDING THE SALE (I.E. ABSENTEE BIDDING)? No, we do not allow absentee bidding, however, you may send a representative to bid on your behalf. Persons bidding at the auction as representatives or agents of others must have a notarized statement naming them and stating that they have full power and authority to sign all necessary documents on behalf of the new owner. Further, they will need the following information to complete the necessary documents after a successful bid: Full first, middle and last name of the person in whose name the deed will be recorded. Full first, middle and last name of the spouse of the person in whose name the deed will be recorded. Mailing address and contact phone numbers of the person in whose name the deed will be recorded. What method of ownership in which the new owner wishes to hold title.

WILL MY PROPERTY BE FREE AND CLEAR OF ALL LIENS? The County of Hawai'i, Real Property Tax Division (RPT), makes every effort to provide you with a free and clear title, however, it is not able to guarantee that. Therefore, you still purchase the property "as is" and may be required to clear all recorded liens on your own. The County has taken the following steps to help you in this matter: The County has ordered title reports and made every effort to put all owners and lienholders on notice of the pending tax foreclosure sale. Copies of the notices and return receipts of those notices are on file with RPT and you may purchase copies if necessary. The County published notices in the local and statewide newspapers to provide notice to the public of the pending sale. The County has adopted Section 19-42, Hawai'i County Code, which states that title in the tax deed shall be free and clear of all liens. To date, the County is unaware of any challenge to its ordinance, but issues this warning, "the constitutionality or legality of that section has not been decided by the courts". The County will attempt to eliminate all recorded liens (other than Federal) from the title for recording with the Bureau of Conveyance or Land Court. These do not include covenants, grants of easements or other encumbrances that run with the land. However, it should be clearly stated that the properties are still being sold "as is" and the County will not warrant their title or represent the successful purchaser in any title disputes.

DOES THE COUNTY WARRANT THE REPRESENTATIONS MADE IN THE FIELD INSPECTION REPORTS? The field inspections are done by the RPT division staff and try to provide as accurate a picture as possible about the condition of the property on the date of the inspection. Once again, the County does not warrant any of the information contained in the field inspection regarding the condition of the land or any structures. Misrepresentations in the field inspections or title reports will not be grounds for cancellation of the sale.

WHAT HAPPENS TO THE SURPLUS? CAN IT PAY OFF THE LIENS? Any money collected above the upset price is considered surplus money. After the sale, the County will notify all lienholders that they have a right to make claims against the surplus. When the County pays off the lienholders, the County will seek a satisfaction and release of lien from the lienholder, which the successful purchaser may file with the

Bureau of Conveyance or Land Court to help clear the title. Any additional surplus funds can then be claimed by the previous owner.

HOW DO I GET RID OF THE LIENS? If the County is unable to provide you with releases, you may contact the lienholders on your own and seek releases from them. In many instances, the liens are no longer valid or were previously paid and no one bothered to record a release. Once you receive the release, it should be recorded with the Bureau of Conveyance or Land Court, depending on where your deed is recorded.

WHAT ABOUT FEDERAL TAX LIENS? Once again, the County sells the property "as is". The federal government has indicated that they will monitor our sales and where they feel the sale was inadequate, they may seek to foreclose on the property. Should they seek such action, they would reimburse the purchaser.

DO YOU KEEP A MAILING LIST? No, we do not keep a mailing list, however, if you provide us with \$1.00 and a self addressed, stamped (2 oz. postage) envelope, we will mail you a tax sale list 4 weeks prior to the next sale.

IS THERE A CHARGE FOR THE LIST OF CURRENT PROPERTIES ON THE TAX SALE? Yes, the charge is \$1.00 per list. The list is also available free on our website or in the newspapers 4 weeks prior to the sale.