Hawaii Real Estate State Practice Exam (Sample)

Study Guide

BY EXAMZIFY

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Questions

1. **Under what legal framework may a spouse claim a 1/3 elective share of the other's estate in Hawaii?**
   - A. Hawaii's Family Code
   - B. Hawaii's Uniform Probate Code for properties sold after July 1, 1977
   - C. Hawaii's Real Estate Code
   - D. Hawaii's Estate Planning Code

2. **Which type of foreclosure does not come with a statutory redemption period in Hawaii?**
   - A. Tax foreclosure
   - B. Mortgages
   - C. Judgment liens
   - D. Easement foreclosures

3. **Are real property taxes assessed only on individual condo units?**
   - A. Yes
   - B. No
   - C. Only if they are leasehold
   - D. Only for high-value units

4. **What does the Commission issue early in the condominium development process?**
   - A. An effective date for the public report
   - B. A financial analysis report
   - C. A zoning approval notice
   - D. A market study report

5. **When do tenants have equal rights as the general public during a rental to condominium conversion?**
   - A. When not given proper notice
   - B. Under the anti-discrimination laws
   - C. When they are paying rent
   - D. When they have lived there for over two years

6. What is typically included in a Purchase Contract?

A. The listing agent's fee structure.

B. The buyer’s offer and any agreed-upon contingencies.

C. The seller's tax return information.

D. A statement from a licensed attorney.

7. What legal recourse does a property owner have against an unpaid material supplier?

A. File a lawsuit

B. Ignore them

C. Negotiate a settlement

D. File a materialman's lien

8. Who owns the newly created land due to a lava flow on a property that extends into the ocean?

A. The property owner

B. The previous owner

C. The state of Hawaii

D. A neighboring landowner

9. In the Land Court System, when does title transfer occur?

A. At delivery of the deed.

B. At registration of the title on the Transfer Certificate of Title.

C. At acceptance by the buyer.

D. At issuance of a lien letter.

10. Who is responsible for preparing Hawaii's Seller Disclosure Statement?

A. Seller

B. Listing broker

C. Selling broker

D. Escrow agent

Answers

1. B
2. B
3. B
4. A
5. B
6. B
7. D
8. C
9. B
10. A

Explanations

1. Under what legal framework may a spouse claim a 1/3 elective share of the other's estate in Hawaii?

A. Hawaii's Family Code

B. Hawaii's Uniform Probate Code for properties sold after July 1, 1977

C. Hawaii's Real Estate Code

D. Hawaii's Estate Planning Code

In Hawaii, the legal framework that allows a spouse to claim a 1/3 elective share of the other's estate is rooted in the Hawaii Uniform Probate Code. This specific provision applies to properties that have been sold or transferred after July 1, 1977. The elective share is a legal right that enables a surviving spouse to elect to receive a set portion of the deceased spouse's estate, rather than what is provided for them in the will, if they feel it is inadequate. Understanding the significance of this code is crucial as it governs the distribution of a deceased person's assets and ensures that a surviving spouse has a financial stake in the estate, recognizing their contribution to the marriage and the mutual support during the spouse's lifetime. The other choices, while they pertain to family law and real estate in Hawaii, do not specifically focus on the right of a spouse to claim an elective share of the estate, which is a clear and established provision under the Uniform Probate Code. This highlights the distinction between various legal frameworks and their applicability in estate matters.

2. Which type of foreclosure does not come with a statutory redemption period in Hawaii?

A. Tax foreclosure

B. Mortgages

C. Judgment liens

D. Easement foreclosures

In Hawaii, the type of foreclosure that does not come with a statutory redemption period is associated with mortgages. When a property is foreclosed upon due to a mortgage default, the legal process does not provide the borrower with the option to redeem the property after the sale has taken place. This lack of a redemption period means that once the property is auctioned off, the former owner cannot reclaim it by paying off the amount owed. In contrast, other forms of foreclosure, such as tax foreclosures and those related to judgment liens, may allow for a redemption period, providing the former owner an opportunity to reclaim their property by paying off the necessary debts within a designated timeframe. Understanding this distinction is important for administrators and participants in real estate transactions within Hawaii, as it affects property rights and obligations after a foreclosure event.

3. Are real property taxes assessed only on individual condo units?

A. Yes

B. No

C. Only if they are leasehold

D. Only for high-value units

Real property taxes in Hawaii are not assessed solely on individual condo units; instead, they can also be applied to the entire condominium property as a whole, including common areas shared by all residents. While individual unit owners may receive a portion of the assessment based on the value of their specific unit, the overall tax is determined by the assessed value of the property, which includes land and common elements. This means that condo associations or management may pay the property taxes collectively, and then they typically allocate those costs to individual owners based on certain calculations. Understanding this helps ensure that prospective buyers and current property owners recognize the dynamics of property taxes in relation to condos and not just individual units. This broader perspective is essential for managing financial responsibilities within a condominium community.

4. What does the Commission issue early in the condominium development process?

A. An effective date for the public report

B. A financial analysis report

C. A zoning approval notice

D. A market study report

The correct answer relates to the fact that the Commission plays a crucial role in overseeing condominium developments to ensure compliance with established regulations. The Commission issues an effective date for the public report early in the development process because this report is essential for potential buyers. It provides critical information about the project, including its specifics, risks, and other relevant details that help prospective purchasers make informed decisions. Obtaining an effective date for the public report is a vital step that signifies approval of the project's disclosure documents, which must be made available to buyers prior to any sales activities. This process is necessary to promote transparency and protect consumers in the real estate market, particularly in the context of condominium developments where multiple owners have shared interests in common areas and facilities. Other options, while important in various contexts, do not occur as early in the development process. Financial analysis reports, zoning approval notices, and market study reports may come later in the development timeline and often serve different purposes within the planning and marketing stages of a condominium project.

5. When do tenants have equal rights as the general public during a rental to condominium conversion?

A. When not given proper notice

B. Under the anti-discrimination laws

C. When they are paying rent

D. When they have lived there for over two years

Tenants have equal rights as the general public during a rental to condominium conversion under the anti-discrimination laws. These laws are designed to ensure that individuals are treated fairly and without bias when it comes to housing and rental opportunities. This means that regardless of their status as tenants, they should not face any discriminatory practices that would restrict their rights to access housing, including during the conversion from rental properties to condominiums. While proper notice is indeed crucial in the context of rental agreements and conversions, it does not directly equate to the broader rights enjoyed under anti-discrimination laws. Furthermore, paying rent establishes a tenant's relationship with a property but does not confer additional rights beyond those laid out by law. Living in a property for a set period, such as two years, may affect specific tenant protections or benefits but also does not address the equal treatment as dictated by anti-discrimination regulations. Therefore, understanding the significance of anti-discrimination laws is key to recognizing tenant rights in situations involving rental to condominium conversions.

6. What is typically included in a Purchase Contract?

A. The listing agent's fee structure.

B. The buyer’s offer and any agreed-upon contingencies.

C. The seller's tax return information.

D. A statement from a licensed attorney.

A Purchase Contract is a legally binding agreement between a buyer and a seller that outlines the terms of the sale of a property. One of the primary elements of this contract is the buyer's offer, which details the price they are willing to pay for the property. Additionally, any contingencies that the buyer and seller agree upon are also included. Contingencies are conditions that must be met for the sale to proceed, such as securing financing or a satisfactory home inspection. Including the buyer's offer and contingencies is crucial because it establishes the framework of the transaction and serves to protect both parties. For example, if the purchase is contingent on the buyer obtaining a mortgage, the seller understands that the buyer may be more likely to withdraw if that financing does not materialize. Thus, option B is fundamental in a Purchase Contract as it captures these essential elements of the agreement. In contrast, other components such as the listing agent's fee structure, the seller's tax return information, and statements from a licensed attorney are not standard inclusions in a Purchase Contract. While these elements may be relevant in broader discussions about the sale process or after reaching an agreement, they do not pertain directly to the content of the Purchase Contract itself. This highlights the importance of understanding

7. What legal recourse does a property owner have against an unpaid material supplier?

A. File a lawsuit

B. Ignore them

C. Negotiate a settlement

D. File a materialman's lien

A property owner has several options when dealing with an unpaid material supplier, but filing a materialman's lien is a particularly effective legal recourse. A materialman's lien allows a supplier to secure a claim against the property for the unpaid amount owed for materials provided. This means that if the property owner fails to pay for the materials, the supplier can place a lien on the property, which can prevent the owner from selling or refinancing the property until the debt is settled. This legal tool is significant in construction and real estate because it creates a priority claim against the property, ensuring that the supplier has a means of recovering their debt. The lien must be filed within a specific timeframe and in accordance with state laws to be enforceable, making it a timely and formal avenue for the supplier to assert their rights regarding unpaid materials. Therefore, pursuing a materialman's lien is a strategic way for suppliers to protect their financial interests in real estate transactions.

8. Who owns the newly created land due to a lava flow on a property that extends into the ocean?

A. The property owner

B. The previous owner

C. The state of Hawaii

D. A neighboring landowner

In Hawaii, any newly formed land as a result of natural phenomena, such as a lava flow, typically becomes the property of the state. This is based on the principle of accretion and avulsion in property law, which dictates that when land is formed by natural processes like lava flows or sediment build-up, that land belongs to the state rather than the individual property owner. When a continuous property extends into the ocean and lava creates new land, this process does not automatically extend ownership of the new land to the adjacent property owner. Instead, Hawaii law asserts that the state retains ownership of newly formed land to maintain public access and control over natural resources. This approach is consistent with maintaining fair guidelines governing land use in areas of active geological change and ensuring that newly formed land is managed in a way that respects community interests and environmental health. Thus, the answer indicating that the state of Hawaii owns the newly created land is aligned with these legal principles and the state's interest in its geographic integrity and resource management.

9. In the Land Court System, when does title transfer occur?

A. At delivery of the deed.

B. At registration of the title on the Transfer Certificate of Title.

C. At acceptance by the buyer.

D. At issuance of a lien letter.

In the Land Court System, title transfer occurs at the registration of the title on the Transfer Certificate of Title. This process is significant because it provides a conclusive record of ownership, meaning that once the title is registered, the owner is considered the legally recognized owner of the property. This is distinct from other systems where the act of delivering the deed or the buyer's acceptance may signify a transfer of title. In Hawaii's Land Court System, the official registration serves as a public declaration of ownership, which grants certain legal protections and establishes priority in ownership claims against potential disputes. The Transfer Certificate of Title acts as a definitive document that reflects the current ownership status, ensuring that all transfers of title are formally recorded and recognized by the court system, reinforcing legal security for property transactions.

10. Who is responsible for preparing Hawaii's Seller Disclosure Statement?

A. Seller

B. Listing broker

C. Selling broker

D. Escrow agent

In Hawaii, the responsibility for preparing the Seller Disclosure Statement lies with the seller. This document is crucial as it serves to inform potential buyers about the condition of the property and any known issues that could impact their decision to purchase. By having the seller complete this statement, it ensures that the seller is providing first-hand knowledge about the property, including past maintenance issues, repairs, and any potential hazards. The Seller Disclosure Statement is required by law to be provided to prospective buyers to promote transparency and protect both parties in the transaction. This helps buyers make informed decisions and also protects the seller by disclosing known issues, which can reduce the likelihood of future legal disputes related to undisclosed property defects. While other parties such as real estate agents or escrow agents may assist in facilitating the transaction and ensuring compliance with relevant laws, the actual preparation and responsibility of the content in the Seller Disclosure Statement rests squarely with the seller.