



# Hawai'i Home Advocates

*"Understanding Makes All the Difference."™*

## SENIOR HOMEOWNERS IN HAWAI'I

# Benefits, Protections & Warnings

A plain-English guide for senior homeowners and their families in Hawai'i.

*"Understanding Makes All the Difference."™*

### ONE MISSION · THREE GOALS

One Mission: To educate homeowners.

Three Goals: To help Hawai'i homeowners —

1. Understand their situation,
2. Learn their rights and options, and
3. Navigate toward the best possible outcome.

Everything here is free. Nothing is required.

And every path leads to your best interest.

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**What this guide covers:** Four things every senior homeowner in Hawai'i should know — the property tax benefits you must claim, the financial impacts of selling your home, how to protect yourself from deed fraud and financial scams, and exactly what to do if you feel pressured about your property. Everything here is free. Nothing is required.

## PROPERTY TAX BENEFITS — YOU MUST APPLY; THEY DON'T HAPPEN AUTOMATICALLY

Each county sets its own schedule. Verify current amounts and deadlines with your county RPAD (Real Property Assessment Division) — rates and limits can change.

### O'AHU — HONOLULU COUNTY

Under 65: **\$120,000** exemption  
 Age 65+: **\$160,000** exemption  
*Eff. July 1, 2027* (Bills 49 & 50, passed Sept. 2025):  
 under 65 → \$140,000 | 65+ → \$180,000  
 Must be 65+ by June 30 preceding the tax year.  
 File by Sept. 30. Form: BFS-RPA-E-10.6.  
 RPAD: 808-768-3799

### MAUI COUNTY


**\$300,000 home exemption** for owner-occupants  
 (must occupy 270+ days/year as primary residence).  
 Additional benefits for low-income seniors.  
 RPAD: 808-270-7297



### KAUAI COUNTY

Basic: **\$220,000**  
 Ages 60–69: **\$240,000**  
 Ages 70+: **\$260,000**  
 Income-based enhanced relief also available.  
 RPAD: 808-241-4224

### BIG ISLAND — HAWAII COUNTY

60–64: **\$85,000** | 65–69: **\$90,000**  
 70–74: **\$105,000** | 75+: **\$110,000**  
 Plus 20% of assessed value (up to \$100,000).  
 Age qualifies as of **Dec. 31** (not June 30).  
 RPAD: 808-961-8201

 **Honolulu Circuit-Breaker Credit:** Household income under \$80,000, home exemption on file, no other property owned anywhere → credit equals your assessed property tax minus 3% of gross income. Reapply annually by Sept. 30. Tax Relief Office: 808-768-3205.

 **Property Tax Deferral &**  **Social Security:** Some counties let qualifying seniors defer property taxes until the home is sold. Ask your county RPAD. Also: Hawai'i does **not** tax Social Security income on the state return.

File the home exemption once — it rolls over unless your status changes. Disability, Hansen's Disease, blind/deaf exemptions available in some counties. **100% service-connected disabled veterans** may qualify for a full property tax exemption — contact your county RPAD. Deadline: September 30 in most counties.

## REVERSE MORTGAGES — A LEGITIMATE TOOL WITH SERIOUS RISKS

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AHECM (Home Equity Conversion Mortgage) — backed by the FHA (Federal Housing Administration) — allows homeowners 62+ to convert home equity into cash without monthly payments. Repaid when you sell, move out permanently, or pass away.

### When it can make sense:

- ✓ You plan to stay long-term and need supplemental income
- ✓ HUD-approved counseling is required by law before proceeding — choose your own counselor. Free referral: 800-569-4287
- ✓ You can reliably maintain property taxes, insurance, and upkeep (failure triggers default and foreclosure)

### When it's dangerous:

- ✗ Someone pressured you into it — a red flag for financial exploitation
- ✗ Your spouse is NOT on the deed — they may lose the home when you pass away
- ✗ You can't keep up with property taxes and insurance — triggers default and foreclosure
- ✗ A family member wants the money — family pressure to take a reverse mortgage is a major warning sign

■ **If your spouse is NOT on the reverse mortgage deed, they may be required to repay the full loan or vacate when you pass away or enter a care facility.** Always ensure both spouses are on the deed before proceeding.

■ HUD counseling is free and independent — required by law before any reverse mortgage. Call 800-569-4287. Never use a counselor your lender recommends.

## SELLING YOUR HOME — THE HIDDEN FINANCIAL IMPACTS

Most senior homeowners know their home has appreciated significantly. What many don't realize is that a large home sale can trigger two costly surprises — one on your tax return, and one on your Medicare bill. Both are avoidable with advance planning.

### Capital Gains: The \$500,000 Exclusion — and What Happens Above It

Federal law (IRC §121) allows most homeowners to exclude up to **\$500,000 of capital gain** from a primary home sale if married filing jointly (**\$250,000 if single**). You must have owned and lived in the home for at least 2 of the last 5 years. But Hawai'i homes have appreciated dramatically — many seniors will still have taxable gains above the exclusion. That taxable gain is reported as income in the year of sale — which leads directly to the next issue.

#### **IRMAA: The Medicare Trap No One Warns You About**

**IRMAA (Income-Related Monthly Adjustment Amount)** is a Medicare premium surcharge triggered when your income exceeds certain thresholds. Medicare calculates your premiums using your income from **two years ago** — including capital gains from a home sale.

**What this means:** Sell your home this year, report a large capital gain, and two years later your Medicare Part B and Part D premiums could increase by **hundreds of dollars per month** — even if your income has since returned to normal.

**Example:** A single senior selling a Honolulu home with a \$200,000 taxable capital gain (after the \$250,000 exclusion) could see Medicare Part B premiums jump by \$300–\$400/month for two years — an additional \$7,000–\$10,000 in Medicare costs from a single sale.

**It's not permanent** — once the high-income year rolls off the 2-year lookback, premiums return to normal. But the surprise cost is real and significant.

**What to do:** Before selling, consult a CPA familiar with senior real estate transactions. Strategies like installment sales can spread the capital gain across multiple years, keeping each year's income below IRMAA thresholds. Verify current IRMAA thresholds at [medicare.gov](https://www.medicare.gov) — they adjust annually.

■ **Before you sell:** Talk to a CPA and consider the full picture — capital gains tax, IRMAA Medicare impact, and any Medicaid planning concerns if long-term care is on the horizon. A well-timed sale with proper planning can save many thousands.

## DEED FRAUD — THE FASTEST GROWING ELDER CRIME

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Deed fraud occurs when someone forges or manipulates a property deed to illegally transfer ownership of your home — without your knowledge or consent. Hawai'i seniors are particularly vulnerable due to the high rate of multigenerational living.

### How deed fraud happens:

- ✓ Forged signature on a deed transfer document
- ✓ Family member or caregiver pressuring a senior to sign documents they don't understand
- ✓ Fraudulent POA (Power of Attorney) used to transfer property
- ✓ Identity theft used to record a fake title transfer

### How to protect yourself:

- ✓ Sign up for property alert notifications from your county — get notified when any document is recorded against your property
- ✓ Check your deed at the BOC (Bureau of Conveyances) or Land Court annually — [boc.hawaii.gov](http://boc.hawaii.gov)
- ✓ Never sign a real estate document you don't fully understand — always take your time
- If you suspect fraud — contact the Hawai'i Attorney General immediately

■ **An honest and important warning: Family members are the most common perpetrators of elder financial abuse — not strangers.**

If a family member is pressuring you about your home, finances, or documents — that is a red flag. You have the right to say no, and the right to reach out to a trusted non-family member without guilt.

For elder law documents (age 60+): Legal Aid 808-536-4302

For legal referrals: HSBA 808-537-9140

## PROTECTING YOUR BENEFITS — WHAT A HOME SALE CAN COST YOU

For many seniors, the home is the only asset — but it is currently an **exempt** asset for Medicaid and SSI purposes. The moment it sells, the proceeds become **countable resources**. Understanding what happens to your benefits before you sell is not optional — it is essential.

### SSI (Supplemental Security Income) & Medicaid — The Asset Trap

- ✓ Your home is **exempt** from SSI and Medicaid asset limits while you live in it
- ✓ The day your home sells, the cash proceeds become **countable assets**
- ✓ If proceeds push your countable assets above **\$2,000 (single) / \$3,000 (couple)**, you can lose SSI and Medicaid eligibility **that same month**
- You have **90 days** to reinvest proceeds in a replacement home — if you do, they remain exempt
- If you do not buy a replacement home within 90 days, the cash counts — you must spend down to \$2,000 to regain eligibility

Transferring proceeds to family members is NOT a permitted spend-down — it can trigger Medicaid penalties

**⚠ Consult an elder law attorney and contact Med-QUEST BEFORE listing your home** if you receive SSI, Medicaid, or any Medicare Savings Program. Timing and planning can protect benefits and prevent a gap in coverage. 1-800-316-8005 | medquest.hawaii.gov

### Medicare Savings Programs (MSPs) — Help Most Seniors Don't Know About

If you have Medicare and limited income, you may qualify for a program that pays some or all of your Medicare costs for free. Most eligible seniors never apply because they don't know these programs exist. Apply through Hawai'i Med-QUEST (1-800-316-8005).

Program	What It Covers	Who Qualifies
<b>QMB</b> Qualified Medicare Beneficiary	Part A & B premiums, deductibles, copays, coinsurance — full coverage of Medicare costs	Income roughly \$1,300–1,500/month single (higher in HI). Asset limit ~\$9,950 single.
<b>SLMB</b> Specified Low-Income Medicare Beneficiary	Pays Medicare Part B premium (~\$185/mo in 2026)	Income slightly above QMB threshold
<b>QI</b> Qualifying Individual	Pays Medicare Part B premium	Higher income limit than SLMB. First-come, first-served. Apply annually.
<b>Extra Help / LIS</b> Low Income Subsidy	Pays most Medicare Part D (prescription drug) costs — premiums, deductibles, copays	Automatic if on QMB or full Medicaid. Apply at SSA: 800-772-1213.

■ **COFA residents:** If you are from the Federated States of Micronesia, Republic of the Marshall Islands, or Republic of Palau and were previously denied Medicaid in Hawai'i — Congress has restored full federal Medicaid eligibility. Reapply through Med-QUEST.

## BEST PRACTICES — 6 STEPS THAT REDUCE YOUR RISK SIGNIFICANTLY

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- 1 Tell at least one trusted person what you own.** A trusted friend, neighbor, pastor, or non-family advocate should know your property, key accounts, and any documents you've recently signed — just enough that someone would notice if something changed unexpectedly.
- 2 Designate a trusted contact with your bank.** Most banks allow you to name someone who can be notified of unusual activity — without giving them account access. This creates a safety net without surrendering control.
- 3 Never sign documents alone.** Any time someone asks you to sign something related to your home, finances, or a POA (Power of Attorney) — have a trusted person present. A legitimate professional will never object to a witness.
- 4 Do an annual property check-in.** Once a year, review your deed, property tax bill, and any open loans with a trusted person. Pull up [hoc.hawaii.gov](http://hoc.hawaii.gov) and confirm your name is still on the deed. Fifteen minutes that could prevent catastrophe.
- 5 Talk openly about your estate plan.** Families who know the plan are much harder to manipulate individually. Surprises after death create conflict and give bad actors an opening. Share your wishes with key people now.
- 6 Trust your instincts — and speak up.** If something feels wrong — a document you don't understand, pressure to sign quickly, someone managing your affairs without your knowledge — say so. Shame and loyalty are the two tools exploiters rely on most. Adult Protective Services: 800-480-4558.

## FINANCIAL SCAMS TARGETING SENIOR HOMEOWNERS

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### ■ Contractor Fraud

Unsolicited contact about “necessary” repairs. High-pressure tactics. Asking you to finance repairs through a reverse mortgage or home equity loan. Always get multiple bids and verify contractor licenses at [pvl.ehawaii.gov](http://pvl.ehawaii.gov).

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### ■ Predatory Buyers

Investors offering quick cash far below market value, targeting seniors who don't know what their property is worth. Always get a current market valuation before signing anything.

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### ■ SSN (Social Security Number) Identity Theft

Never give your SSN to anyone who contacts you unsolicited — by phone, email, or in person. Your SSN can be used to take out loans against your home.

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### ■ Family Financial Abuse

Pressure to add a family member to the deed, sign over POA, or take out a reverse mortgage to give money to a relative are all serious red flags. Contact Adult Protective Services: 800-480-4558.

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### ■ Foreclosure Rescue Scams

If you're behind on payments, scammers offer to “rescue” your home for an upfront fee — then disappear. All legitimate foreclosure help is free. Never pay upfront. Report to DCCA OCP: 808-586-2630.

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### ■ Document Fraud

Never sign a deed, POA, or loan document without reading it fully. A legitimate professional will always give you time to review and consult an attorney.

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For elder law documents (age 60+): Legal Aid 808-536-4302

For legal referrals: HSBA 808-537-9140

## YOUR ACTION PLAN — WHAT TO DO RIGHT NOW

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- 1 **Verify your property tax exemption status.** If 65+ and haven't filed the enhanced exemption, contact your county RPAD now. You cannot reclaim prior-year taxes.
- 2 **Ask your county RPAD about the circuit-breaker credit and deferral programs.** Honolulu offers a tax credit if household income is under \$80,000. Some counties offer deferral. These don't happen automatically.
- 3 **Before selling your home, consult a CPA about IRMAA and capital gains.** A large home sale can spike your Medicare premiums for two years (IRMAA). Installment sale strategies and timing can meaningfully reduce this impact.
- 4 **Sign up for property alert notifications.** Contact your county recorder or BOC (Bureau of Conveyances) at [hoc.hawaii.gov](http://hoc.hawaii.gov) to receive alerts any time a document is recorded against your property.
- 5 **Check your deed annually.** Verify your property is still in your name at [hoc.hawaii.gov](http://hoc.hawaii.gov) or Land Court. Five minutes that could catch fraud early.
- 6 **Before a reverse mortgage — get independent HUD-approved counseling.** Required by law and free. 800-569-4287. Choose your own counselor — not one the lender recommends.
- 7 **For elder law documents (age 60+):** Legal Aid 808-536-4302  
**For legal referrals:** HSBA 808-537-9140
- ! **If a family member is pressuring you about your home — you have the right to say no.** Hawaii Executive Office on Aging: 808-586-0100 | Adult Protective Services: 800-480-4558.
- 8 **Contact Barbara.** Free market valuation and honest review of any situation. No pressure, no obligation. 808-781-6951

## FREE RESOURCES

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*About free legal help in Hawai'i: Free legal representation for housing matters is very limited. Most free resources provide information or referrals, not an attorney who will represent you.*

### County RPAD Offices — Property Tax Exemptions & Deferral

Apply for exemptions, circuit-breaker credits, and deferral programs for your island.

O'ahu: 808-768-3799 | Maui: 808-270-7297 | Big Island: 808-961-8201 | Kauai: 808-241-4224

### Hawai'i HomeOwnership Center (HHOC)

HUD-approved nonprofit — free counseling on aging in place, downsizing, and senior home ownership.

808-523-9500 | [hihomeownership.org](http://hihomeownership.org)

### Legal Aid Society of Hawai'i — Elder Law Services (age 60+)

Free advance planning documents for qualifying residents age 60 and over: Advance Health Care Directive (AHCD), Power of Attorney for Financial Decisions, and Simple Wills. Does not cover housing, foreclosure, or property disputes.

808-536-4302 | [legalaidthawaii.org](http://legalaidthawaii.org)

### Hawai'i State Bar — Lawyer Referral Service

Get matched with a licensed Hawai'i attorney. Many offer a free or reduced-fee first consultation. Available Mon–Fri 8:30 a.m.–4:30 p.m.

808-537-9140 | [hawaiilawyerreferral.com](http://hawaiilawyerreferral.com)

### Adult Protective Services

Report elder abuse, exploitation, or financial scams targeting seniors. Available statewide.

800-480-4558

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All resources on this site are free.

No sign-up. No obligation. Ever.

[hawaiihomeadvocates.com](http://hawaiihomeadvocates.com)

808-781-6951



## Barbara Coote

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Licensed Hawai'i REALTOR® RS-81245

Military Relocation Professional (MRP)

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*"When God closes a door, He opens a window."*

I want to be that window for you.

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*"Informed Decisions are the Best Decisions."*™

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Free. No sign-up. No obligation. Ever.