Moore/Marsden Was Just The Beginning

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Moore/Marsden Was Just The Beginning

Some may be aware that I have devoted over 20 years of my professional career in the area of tracing, including related issues of allocation and reimbursement matters. The allocation of community and separate property interests in a family residence and other real property holdings is a constantly evolving area of family law. The body of knowledge as presented begins in 1980 with the ruling in Marriage of Moore and since that time has been expanded and better defined under additional rulings by the courts on a frequent basis.

In re Marriage of Moore (1980) 28 Cal.3d 366: Premarital appreciation was not an issue because there was little to no premarital appreciation.

In re Marriage of Marsden (1982) 130 Cal.App.3d 426: There was significant premarital appreciation.

The above two cases comprise the Moore/Marsden Rule, although the actual formula is defined in the Marsden case. When the property is purchased shortly before the marriage, then the premarital appreciation will be very negligible or even zero.

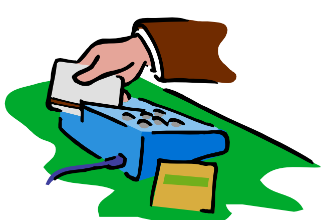
The Moore/Marsden Rule is not a rebuttable presumption but a rule to be applied to compute the community's pro tanto interest in property where community funds were used to reduce the principal mortgage balance for one spouse's separate property. The Moore/Marsden Rule has been extended to cases involving commercial properties under *Marriage of Frick* (1986) 181 Cal.App.3d 997, 1007-1008.

A refinance is a frequent occurrence during marriage and often drastically alters the results when applying the Moore/Marsden Rule. Both the *Aufmuth* and *Moore* cases focused on the intent of the lender to determine the character of the loan and which spouse ultimately received credit for that obligation in the formula. In both cases the determination was straightforward. In *Moore*, the wife received credit for her premarital obligation as a contribution towards the purchase price. In *Aufmuth*, the loan was obtained during marriage and thus treated as a community property contribution. In the event of a refinance, the balance remaining on the original separate property loan will be repaid using the loan proceeds of the new loan. The new loan taken out during marriage is a community obligation, unless the spouse who owned the residence before marriage can show that the loan was obtained relying solely on that spouse's separate property. This is often difficult to accomplish, absent a very wealthy spouse or a premarital agreement.

Home equity loans are excluded in applying the Moore/Marsden Rule to the extent that the proceeds were not used to acquire or improve the property. (See *Marriage of Nelson* (2006) 139 Cal.App.4th 1546, 44 Cal.Rptr.3d 52)

Another common scenario is encountered when one spouse has substantially better credit than the other. In those instances, lower interest rates may be available by obtaining financing in the name of only one spouse. Seeking the best economic result may lead to unanticipated consequences regarding the character of property acquired under those conditions. Several recent court cases have addressed this issue and provide guidance in those circumstances. *In Marriage of Brooks & Robinson* (2008) 169 Cal.App.4th 176, 86 Cal.Rptr.3d 624, the parties agreed to title the residence and the related indebtedness in wife's name alone to take advantage of wife's better credit. The Court found that husband had not overcome the presumption of title under Evidence Code § 662 despite payments by husband toward the mortgage indebtedness and the property was ruled to be the separate property of wife.

In Marriage of Starr (Published 10/15/10), the Court ruled that the residence acquired during marriage in husband's name only was community property despite wife executing a quitclaim deed after acquisition. Husband asserted that the property was acquired with his separate property funds as a source of downpayment and the parties intended the property to remain husband's separate property thereafter. Wife countered that she relied upon the representation of both husband and the mortgage lender to secure the best mortgage rate by relying solely on husband's superior credit. The Court agreed with Wife's position and in this instance, declined to give effect to Wife's quitclaim. Then, property titled to one spouse, with the full knowledge and consent between the parties, is likely to be respected.



I am frequently asked to explain why the community property receives credit for the principal repayment of the original loan upon refinance simply because a new loan was secured, quite often for the exact same loan amount but with a lower interest rate. My answer is simple; it's the law! If the lender looks to the new spouse's community earnings during marriage as the source for repayment of the loan, then the resulting loan is a community contribution regardless of whether the loan is secured using only separate property. (See *In re Marriage of Grini*us (1985) 166 Cal.App.3d 1179, 212 Cal.Rptr. 803 [lender must rely solely on spouse's separate property for loan proceeds to be considered separate property]. Another reason to support the community characterization of the refinanced loan proceeds is to look beyond what the lender's customary practice might be, but focus on what the lender has a legal right to do. If the lender may look to other community assets for satisfaction of debt rather than from the subject property only, the community is potentially liable for repayment. Then, the character of loans under those terms is community.

A further analysis of the loan proceeds may be necessary in applying *Marriage of Walrath* (1998) 14 Cal. 4th 907, 72 Cal. Rptr. 2d 856. The California Supreme Court ruled that a FC § 2640 claim can be traced to the proceeds of community property to which separate property was contributed. In other words, FC § 2640 creates a tracing right of reimbursement through more than one property acquisition transaction.

The California Supreme Court's ruling on the issues raised in *Walrath* have necessitated accountants to refine their tracing methods so as to include new procedures in the determination of separate property contributions to community property assets acquired during marriage. The reimbursement calculations will now have to track the metamorphoses of separate property contributions from one use to another. Questions arise as to the proper method of tracing when the "new" use does not involve the acquisition of property. *Walrath* requires the application of competent tracing techniques and a determination of the equity at the time the asset is refinanced to establish the percentage of separate property reimbursement interest being transferred to the new asset.

Attachment A

A Moore/Marsden calculation should be computed as of the date of refinance. The information needed to prepare the calculation is as follows (excluding improvements discussed more in detail separately):

- ◆ Date of Acquisition:
  - ◈ Original Acquisition Price
  - ◈ Down Payment
  - ◈ Amount Financed

- ◆ Date of Marriage:
  - ◈ Fair Market Value
  - ◈ Original Loan Balance

- ◆ Date of Refinance:
  - ◈ Fair Market Value *(Typically a real estate appraisal has been prepared in connection with the refinance. The owner-spouse has the burden to refute the appraised value. This is particularly relevant when the appraised value was solely to assure the lender that sufficient equity exists, as opposed to a true "fair market value" appraisal.)*

  - ◈ Original Loan Repayment *(Comprised only of the principal loan obligation excluding interest and fees typically remitted to lender)*

Attachment B

When applying the Marsden formula, the community is to receive credit for repaying the remaining loan balance. (*In re Marriage of Branco* (1996) 47 Cal.App.4th 1621, 55 Cal.Rptr.2d 493.) Although the owner's separate property will obtain credit for all premarital appreciation and principal repayments through date of refinance, a recharacterization of the loan for purposes of the Marsden formula from separate to community has the potential for drastically changing the character of the appreciation that occurred during marriage, prior to the refinance.

An example can best illustrate the mechanics of the Moore/Marsden Rule as follows, under the following hypothetical facts preceding the date of marriage:

The owner-spouse acquired a residence with a fair market value of $500,000 with $100,000 cash downpayment and the remaining $400,000 secured by a first trust deed. Immediately prior to marriage, principal payments of $10,000 were made, leaving an outstanding mortgage note balance of $390,000. The parties then marry and together repay the note by another $15,000. Assuming the residence appreciated by $200,000 during marriage, a standard Marsden apportionment allocates 97% of the appreciation to the owner-spouse's separate property, as depicted below.

	Owner Spouse	Community	Total
Allocated Costs:			
Down Payment	$100,000		$100,000
Principal paid prior to Marriage	10,000		10,000
Principal paid during Marriage		$15,000	15,000
Principal Balance @ Transmutation	375,000		375,000
Total Allocated Costs	485,000	15,000	500,000
Allocation Percentage	97%	3%	100%
Appreciation:			
Prior to Marriage	100,000		100,000
During Marriage @ Transmutation	194,000	6,000	200,000
Total Allocated Appreciation	294,000	6,000	300,000
Total Cost plus Appreciation	779,000	21,000	800,000
Less Loan Balance	(375,000)		(375,000)
Net Allocated Equity @ Transmutation/(prior to Refinance)	$404,000	$21,000	$425,000

Assume the same facts as above which resulted in a total repayment by the community of $15,000 after marriage. Additionally assume the parties refinance the property at this juncture. Then, this new loan upon refinancing obtained during marriage is community property. The overall effect of such a refinance is that the owner-spouse receives 22% of the marital appreciation, not the 97% appreciation as computed above, before the refinance. The disparity is solely attributable to the refinance event.

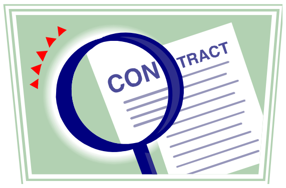
	Owner Spouse	Community	Total
Allocated Costs:			
Down Payment	$100,000		$100,000
Principal paid prior to Marriage	10,000		10,000
Principal paid during Marriage		$15,000	15,000
Principal Paid Off from Refinance		375,000	375,000
Total Allocated Costs	110,000	390,000	500,000
Allocation Percentage	22%	78%	100%
Appreciation:			
Prior to Marriage	100,000		100,000
During Marriage @ Refinance	44,000	156,000	200,000
Total Allocated Appreciation	144,000	156,000	300,000
Total Cost plus Appreciation	254,000	546,000	800,000
Less Loan Balance		(375,000)	(375,000)
Net Allocated Equity @ Refinance	$254,000	$171,000	$425,000

Timing is everything.

Proper timing may have avoided such an inadvertent result. Consider adding the new spouse to title prior to the refinance, rather than at time of, and in conjunction with the refinance process. Under these facts, a different set of rules may be applied where the separate property is preserved. [*In re Marriage of Neal* (1984) 153 Cal.App.3d 117, 200 Cal.Rptr. 341, disapproved on other grounds, *In re Marriage of Buol* (1985) 39 Cal.3d 751, 763, 218 Cal.Rptr. 31, 705 P.2d 354 and In re Marriage of Fabian (1986) 41 Cal.3d 440, 451, 224 Cal.Rptr. 333}, the community "acquires" its interest on the date that the new spouse's name is added to title. On that date, the loan is still deemed a separate property contribution and the owner-spouse's right of reimbursement pursuant to Family Code § 2640 is determined.] In the above example, adding the new spouse to title immediately before the refinance results in an allocation to owner-spouse's separate property of 97% of the post-marital appreciation. Thereafter, the community simply receives dollar-for-dollar credit in future appreciation.

Note that the above reimbursement under FC § 2640 describes reimbursement to one spouse for his or her separate property interest to community property. Prior to the revision in the law, the court stated that nothing in FC § 2640 gave one spouse a right of reimbursement for separate property contributions made to the other spouse's separate property (*Marriage of Cross*, 94 Cal. App. 4th 1143,114 Cal. Rptr. 2d 839). The court had reasoned that if the Legislature had intended to give a spouse a right to reimbursement for separate property contributions made to the other's spouse's separate property, the Legislature could have included the appropriate language to achieve this intent. In amending FC § 2640, effective as of January 1, 2005, the legislature did just that. In section (c) of FC § 2640, the law now states that a party shall be reimbursed for the party's separate property contributions to the acquisition of property of the other spouse's separate property estate during the marriage, unless there has been a transmutation in writing or a written waiver of the right to reimbursement. The legislature determined that the amount reimbursed shall be without interest or adjustment for changes in monetary values and may not exceed the net value of the property at the time of the division. Presumably, this statute will not be applied retroactively to contributions made before its operative date. (*See In re Marriage of Fabian* (1986).

After the equity in the residence is "apportioned" on the date of the refinance using the Marsden formula, the parties may undertake additional title transactions. The following are possible scenarios and the associated consequences:



(1) The parties re-title the residence into joint form: This transaction results in a straightforward application of Fam. Code § 2640. Absent a written agreement waiving reimbursement, the original owner-spouse receives reimbursement for his or her separate property contribution as determined by the Marsden formula on the date the new spouse's name is added to the title. The remaining equity, if any, is allocated equally.

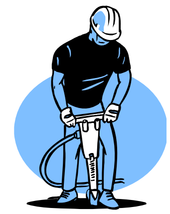
(2) The non-owner spouse executes a quitclaim deed:

A quitclaim deed is often executed under these circumstances when the parties wish to maintain their respective interests in the residence in the same ratio as immediately before the refinance. As discussed earlier with *Brooks & Robinson* and *Starr* the case law is unclear, as two contradictory authorities exist under similar facts. *Marriage of Stoner* (1983) 147 Cal.App.3d 858, 195 Cal.Rptr. 351, held that the execution of a quitclaim deed prevents any further accumulations of community property in the property, even when the parties repay principal using community funds. In contrast, *Marriage of Branco* (1996) 47 Cal.App.4th 1621, 55 Cal.Rptr.2d 493, provides for future community interest to accumulate arising from community transactions such as principal repayment and refinance after the date of quitclaim.

All waiver of interests must be made in writing to be recognized. Intent alone, such as clear oral understanding between the parties, is insufficient to transmute the character of such proceeds (Ibid; Fam. Code §852.) Absent a writing wherein the non owner-spouse relinquishes his or her interest in the loan proceeds, the loan remains a community obligation and the associated proceeds are a community asset. (*In re Marriage of Witt* (1987) 197 Cal.App.3d 103, 242 Cal.Rptr. 646.)

Improvements

No reported appellate decision had considered whether the Moore/Marsden rule properly extends to community expenditures for improvements to one spouse's separate property prior to 2001.



The Third District Court of Appeal addressed this very issue. (*In re Marriage of Wolfe* (2001) 91 Cal.App.4th 962.) After intensively tracking the evolution of the law in this area, the Wolfe court "discarded" the gift presumption for such improvements. As the court noted: "There is little logic in a rule that presumes an unconditional gift when one spouse uses community funds to improve the other spouse's property…. As we explained, our courts do not indulge such a presumption when community funds are used to assist in the purchase or to reduce an encumbrance on a separate asset. The application of community funds results in what amounts to co-ownership of the asset. There is no reason to presume a gift when funds are applied to improve separate property."

Immediately following the *Wolfe* decision, the Second District Court of Appeal, Division Two addressed the issue of community-funded improvements to separate property. (*In re Marriage of Allen* (2002) 96 Cal.App.4th 497.) Agreeing with the ruling under *Wolfe*, the Court rejected the notion that "a wife's consent to the use of community funds to improve her husband's separate real property raises a presumption that the funds were a gift of the funds to the husband."

This area has not been codified and as a result, the pre-1984 cases are still viable authority. The recent cases, however, provide a more coherent result based in logic and equity.

Attachment C

Date of Valuation

The proper date of valuation for Moore/Marsden calculation is date of trial.

In re Marriage of Sherman (2005) 133 Cal.App.4th 795, 35 Cal.Rptr.3d 137, husband purchased residence in 1993 for $1,226,600. He married Wife in 1995 and separated 2001. $99,475 of community property was used to pay down the mortgage. In 1998, Husband refinanced the residence and withdrew $495,403. He used $329,191 of these proceeds to make improvements to the property. When the parties separated, Wife and Children moved out of this residence. The Fair Market Value of the residence was $3,500,000 at date of separation (DOS) and $3,950,000 at date of trial (DOT). The parties stipulated to a different community property equity, depending on the approach adopted by the court. The issue was whether the proper date of valuation of the community property interest in the residence was DOS or DOT. The trial court used DOS and Court of Appeal reversed.

HELD: The proper date of valuation for Moore/Marsden calculation is date of trial.

Fam. Code §2552 (a) provides: "For the purpose of division of the community estate upon dissolution of marriage or legal separation of the parties, except as provided in subdivision (b), ••the court shall value the assets and liabilities as near as practicable to the time of trial••." Subdivision (b) provides authority for an alternate valuation date, which Husband did not request.

"A date of separation valuation of property is appropriate '"when the hard work and actions of one spouse ••alone•• and after separation, greatly increases the 'community' estate which then must be divided with the other spouse." 'On the other hand, when an asset increases in value from nonpersonal factors such as inflation or market fluctuations, generally it is fair that both parties share in that increased value.'"

This analysis applies to community property interest in a separate property residence. No facts were set forth suggesting that the $450,000 increase in value was due to Husband's efforts. Husband did not provide a reason why a DOT valuation would be inequitable. The fact Husband made all of the mortgage payments after separation did not alter the analysis. He also received the exclusive benefit of continuing to live in the home.

The trial court should have valued the residence as close to DOT as practicable in determining the community's pro tanto interest.

Since the parties stipulated to the community property equity depending on the approach and date of valuation used, there was no need for the court to address the propriety of *Bono v. Clark* formula which gives the community a pro tanto interest in separate property improved with community funds, as opposed to reimbursement, as provided by Fam. Code §2640 (b).

After Marriage of Sherman, Bono will probably be either limited to probate and civil cases or simply ignored, the latter is preferable in the author's opinion.

In Re Marriage of Walrath — Case No. S059170

Statistical Facts in the Determination of Community vs. Separate Property Interest in Single Family Residence in Lucerne, California

Acquisition of Property:

Date
Purchase Price
Down payment (net of costs)
1st Trust Deed

NO INFORMATION WAS PROVIDED REGARDING THE ORIGINAL PURCHASE PRICE OR TERMS.

Marriage:

Date	January 11, 1992		
Fair Market Value			Not Provided
1st Trust Deed			Not Provided

There was no allocation made from the date of marriage through the date of transmutation appreciation. I believe the reason was the value probably did not change much since the date of transmutation was less than six months from the date of marriage.

Transfer:

Date June 1992
Title Gilbert Walrath and Gladys Walrath, Husband and Wife, as Joint Tenants

Fair Market Value		228,000
1st Trust Deed Balance	82,000	
Net Equity at the Date of Transfer *(Gilbert's Separate Property Contribution)*		146,000

Principal Reduction:

Date Between June 1992 and 1993

Principal Payment *(Glady's Separate Property Contribution)* 20,000 Payment from Gladys Walrath

Refinance:

Date In 1993

FMV	$240,000
Loan	(60,000)

Fair Market Value			240,000
Amount of New 1st Trust Deed		180,000	
Original 1st Trust Deed Paid-off	60,000		
Fees and costs	1,500		
Stipulated use of loan proceeds:			
Pay-off mortgage on a property in Nevada	62,000		
Acquire and improvement Utah property	40,500		
Joint Savings	16,000		

Trial:

Fair Market Value		175,000
Refinanced 1st Trust Deed	174,000	
Net Equity at Date of Trial		1,000

Analysis of Community vs. Separate Property Interest in Single Family Residence in Lucerne, California

TRIALCOURT CALCULATION:

Description	Line	Column [a] Gilbert Separate Interest	[b] Gladys Separate Interest	[c] Community Interest	[d] Total Interest
Allocated Costs:					
+ Net Equity at the Date of Transfer	1.	146,000	0		146,000
+ Principal payment paid prior to Refinance	2.	0	20,000	2,000	22,000
+ Principal Balance paid with Refinance	3.		0	60,000	60,000
Total Allocated to Costs of Acquisition (Add lines 1 thru 3)	4.	146,000	20,000	62,000	228,000
Separate Property Contributions by the Parties	5.	146,000	20,000		
Trial: Parties entitled to reimbursement per proportionate basis	6.	88%	12%		
Fair Market Value at Trial	7.			175,000	
Less: Community Property Encumbrance	8.			(174,000)	
Net Equity (Line 7 less line 8)	9.			1,000	
F.C. §2640 Reimbursement due the Parties (Line 9[c] x 6[a] and 6[b])	10.	880	120		

Gilbert's	$146,000	88%
Gladys'	20,000	12%
Total	$166,000	100%

TRIAL COURT SUMMARY:

Description	Line	Column [a] Utilization of Lucerne Refinance	[b] Equity at Trial	[c] Gilbert F.C. §2640 Claim	[d] Gladys F.C. §2640 Claim	[e] Community Equity (if applicable)
Assets:						
Utah - acquire and improve	11.	40,500	74,500	0	0	74,500
Nevada - pay-off debt	12.	62,000	125,000	0	0	125,000
Deposit to Joint Account	13.	16,000	16,000	0	0	16,000
Lucerne - loan paydown	14.	60,000	1,000	880	120	0
No Record - Assumed for fees and costs	15.	1,500				
	16.	180,000	216,500			215,500
F. C. §2640 Reimbursement Originating for Lucerne Contributions				880	120	
Nevada-subject to an undisputed prior separate property contribution by Gilbert				63,000		(63,000)
F. C. §2640 Reimbursement due Gilbert & Gladys plus Balance of Community Entity				63,880	120	152,500

	Gilbert	Gladys	Total
Allocation of Net Equity			
F.C. §2640 Reimbursement due Parties	63,880	120	64,000
Balance of Community Property Equity	76,250	76,250	152,500
Total Allocation of Net Equity at Trial	140,130	76,370	216,500

In Re Marriage of Walrath | Case No. S059170

Analysis of Community vs. Separate Property Interest in Single Family Residence in Lucerne, California

SUPREME COURT CALCULATION:

Description	Line	[a] Gilbert Separate Interest	[b] Gladys Separate Interest	[c] Community Interest	[d] Total Interest
Allocated Net Equity at Date of Refinance:					
+ Net Equity at the Date of Transfer	1.	146,000	0		146,000
+ Principal payment paid prior to Refinance	2.	0	20,000	2,000	22,000
+ Appreciation from date of transmutation to date of refinance	3.		0	12,000	12,000
Total Allocated of Net Equity at Refinance (Add lines 1 thru 3)	4.	146,000	20,000	14,000	180,000
Allocation Percentage (Divide line 4 Column [a] , [b] and [c] by Column [d])	5.	81%	11%	8%	100%
Separate Property Contributions by the Parties	6.	146,000	20,000		166,000
Allocation Percentage (Divide line 6 Column [a] and [b] by Column [d])	7.	88%	12%		100%

SUPREME COURT TRACING METHOD:

	Line	[a] Utilization of Lucerne Refinance	[b] Equity at Trial	[c] Gilbert F.C. §2640 Claim	[d] Gladys F.C. §2640 Claim	[e] Community Equity (if applicable) ([b] - [c & d] = [e])
Assets:						
Utah - acquire and improve (Multiply 8[a] x 5[a] = 8[c]; Multiply 8[a] x 5[b] = 8[d])	8.	40,500	74,500	32,805	4,455	37,240
Nevada - pay-off debt (Multiply 9[a] x 5[a] = 9[c]; Multiply 9[a] x 5[b] = 9[d])	9.	62,000	125,000	50,220	6,820	67,960
Deposit to Joint Account (Multiply 10[a] x 5[a] = 10[c]; Multiply 10[a] x 5[b] = 10[d])	10.	16,000	16,000	12,960	1,760	1,280
Lucerne - loan pay down (Multiply 11[b] x 7[a] = 11[c]; Multiply 11[a] x 7[b] = 11[d])	11.	60,000	1,000	880	120	0
No Record - Assumed for fees and costs	12.	1,500				
	13.	180,000	216,500			106,480
F. C. §2640 Reimbursement Originating for Lucerne Contributions				96,865	13,155	
Nevada-subject to an undisputed prior separate property contribution by Gilbert				63,000		(63,000)
F. C. §2640 Reimbursement due Gilbert & Gladys plus Balance of Community Entity				159,865	13,155	43,480

Nevade Equity	$125,000
Gilbert F.C. 2640	(113,220)
Gladys F.C. 2640	(6,820)
Equity after 2640	$4,960

	Gilbert	Gladys	Total
Allocation of Net Equity			
F.C. §2640 Reimbursement due Parties	159,865	13,155	173,020
Balance of Community Property Equity	21,740	21,740	43,480
Total Allocation of Net Equity at Trial	181,605	34,895	216,500

Pamela Wax-Semus, CFE

DATA SHEET FOR THE DETERMINATION OF THE SEPARATE/COMMUNITY PROPERTY INTEREST

	Amount	✔ if Unknown	✔ if Not Applicable
1) Case Name: ________________ Property Address: ________________ ________________ Case Number: ________________			
2) Date residence was purchased (Mo. / Day / Yr.)			
(a) Original purchase price	$	☐	
(b) Original amount financed	$	☐	
Title: ________________			
3) (a) Improvement prior to marriage - cost	$	☐	☐
(b) Amount improvements increased property value	$	☐	☐
4) Date of marriage **(DOM)** (Mo. / Day / Yr.)			
(a) Fair market value of property @ DOM	$	☐	
(b) 1st trust deed loan balance @ DOM	$	☐	
(c) HELOC or 2nd trust deed balance @ DOM	$	☐	
(d) HELOC or 2nd T.D. used for acquisition or improvements	Yes or No	☐	☐
Title: ________________			

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DATA SHEET FOR THE DETERMINATION OF THE SEPARATE/ COMMUNITY PROPERTY INTEREST

	Amount	✔ if Unknown	✔ if Not Applicable
5) Date title changed **(DTC)**[1] — Mo. / Day / Yr.			☐
(a) 1st trust deed loan balance @ DTC	$	☐	
(b) HELOC or 2nd trust deed balance @ DTC	$	☐	☐
(c) Improvements during marriage prior to DTC –cost	$	☐	
(d) Fair market value of property @ DTC			
◊ without improvements (no improvements)	$	☐	
♦ with improvements	$	☐	
Title: ____________			
Reason for the title change: ____________			
[1] Title changed to either joint form or as one parties' sole and separate.			
6) Date of refinancing **(DOR)** — Mo. / Day / Yr.			☐
(a) Amount of New Loan	$		
(b) Loan balance(s) paid off	$	☐	
(c) Improvements during marriage prior to DOR - cost	$	☐	
(d) Fair market value of property @ DOR	$	☐	
(e) Net amount of refinance proceeds	$	☐	
(f) Purpose of refinance: ____________			
Title: ____________			

DATA SHEET FOR THE DETERMINATION OF THE SEPARATE/ COMMUNITY PROPERTY INTEREST

	Amount	✔ if Unknown	✔ if Not Applicable
7) Date of separation **(DOS)** — Mo. / Day / Yr.			
(a) 1st trust deed loan balance @ DOS	$	☐	
(b) HELOC or 2nd trust deed balance @ DOS	$	☐	
8) Date of current valuation **(DOV)** ² — Mo. / Day / Yr.			
(a) 1st trust deed loan balance @ DOV	$	☐	
(b) HELOC or 2nd trust deed balance @ DOV	$	☐	
(c) Improvements post separation - cost	$	☐	
(d) Fair market value of property @ DOV			
◊ without improvements (no improvements)	$	☐	
♦ with improvements	$	☐	
Title: ______________________________			

² DOV = Most current date available or date of trial.

9) Comments:

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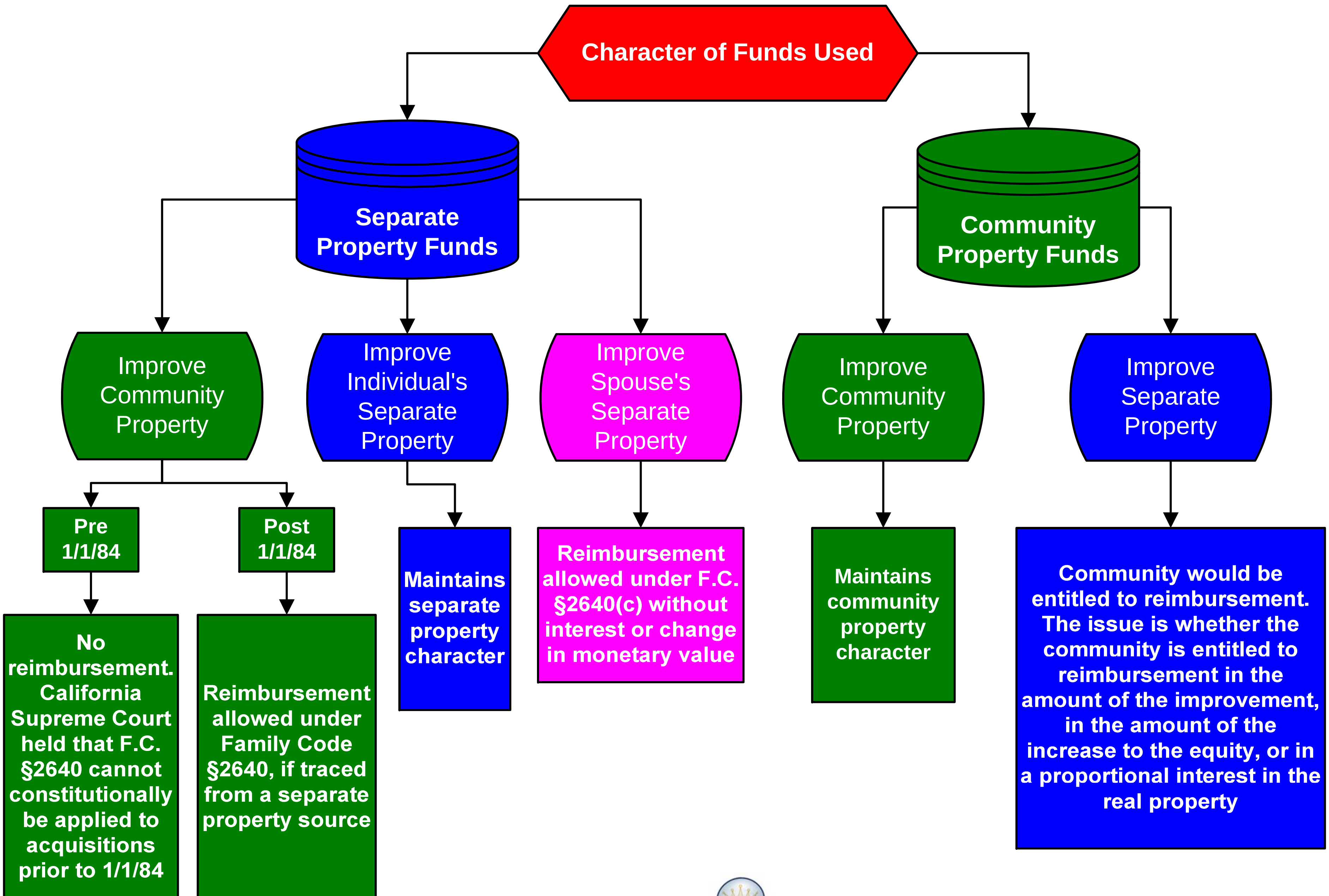
Real Property Improvement Flow Chart



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ATTACHMENT C