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# THE 4 STEPS

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# TO ACHIEVING A PROPERTY SETTLEMENT

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# YOUR MARITAL ESTATE

Your marital estate is made up of the property and debt that you and your spouse will divide during your divorce. It is defined as everything you and your spouse own (your assets) and everything you and your spouse owe (your liabilities).

# 1

## Disclose All Assets and Liabilities

Before you and your spouse can divide your marital estate, you must figure out what it consists of. The first step is for each of you to fully to disclose to the other all of your assets and liabilities regardless of when and how they were acquired or in which spouse's name they are held.

# 2

## Determine What to Include in the Marital Estate

The law generally provides that property and debts that you acquired before you got married and property that you received as a gift or inheritance during your marriage are not part of the marital estate. But you don't need to follow the rules. Whether an asset is part of the marital estate or not can be a matter of negotiation.

# 3

## Value the Assets in the Marital Estate

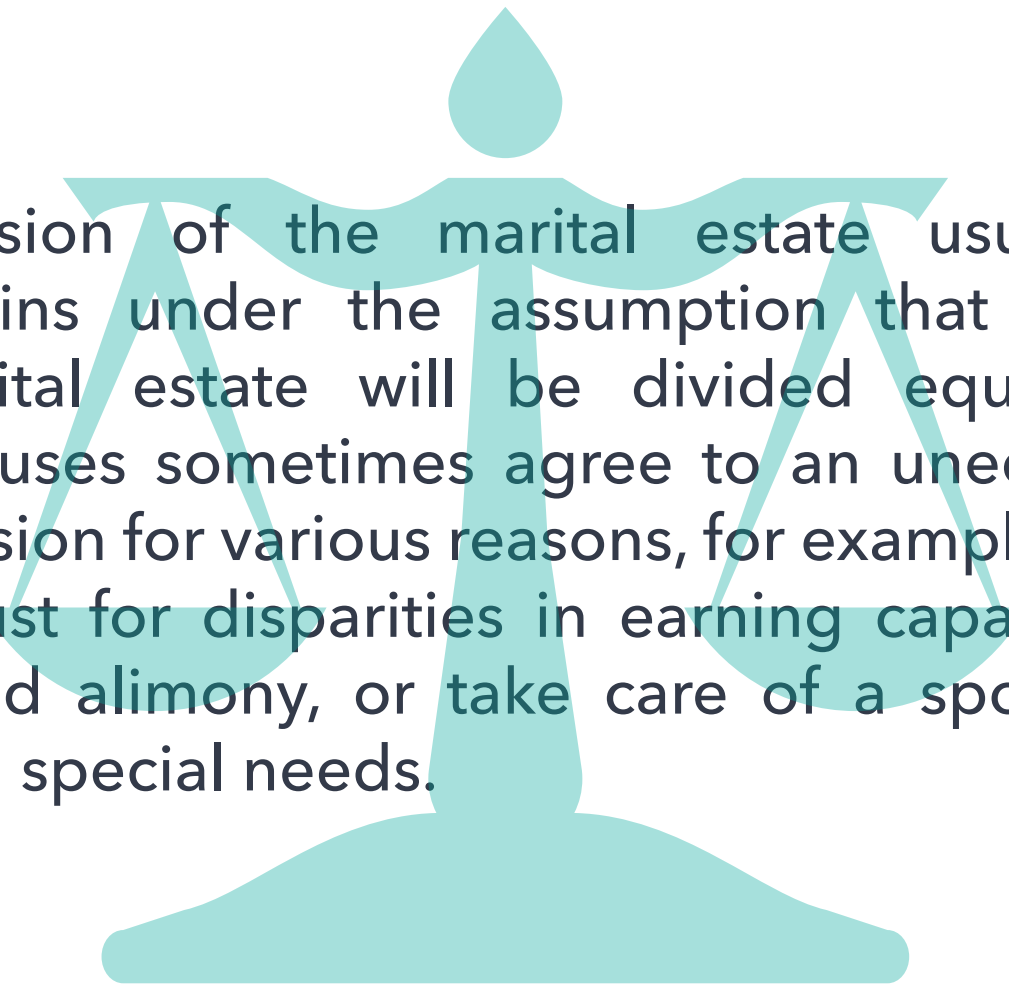
The value of an asset is its “fair market value,” which is how much you could sell it for. You and your spouse can base the value of an asset on your own opinions, market research, or a professional appraisal. Make sure you have adequate information. Otherwise you could end up with an inequitable division.

# 4

## Divide the Marital Estate

Courts use two major methods to divide marital estates. Community property states more or less require the equal division of marital estates. Other states require the equitable, but not necessarily equal, division of marital estates. You and your spouse can agree on whatever division you think is fair.

# An Equal Division Is the Norm



Division of the marital estate usually begins under the assumption that the marital estate will be divided equally. Spouses sometimes agree to an unequal division for various reasons, for example to adjust for disparities in earning capacity, avoid alimony, or take care of a spouse with special needs.