



# VALUATION SERIES: LIABILITIES

Finding out the value of assets and liabilities is an important step when you are going through a property settlement with your ex-partner. This fact sheet is about valuing liabilities.

## What are liabilities?

When the law talks about liabilities, this is a term for all debts that people owe. This includes home loans, credit cards, personal loans, student loans and tax debts.

## How do you work out how much debt you owe?

A good place to start when working out how much debt you owe are your bank statements. In most cases, your most recent bank statement should give you all the information you need. Use statements from your home loan account, credit card, personal loan, or business loan to work out how much money you owe. If you are not sure, it is best to contact your lender directly to find out the exact amount.

## How do you know how much debt your ex-partner owes?

As part of the process of working out how property will be divided following separation both you and your ex-partner have an ongoing duty to disclose information about your finances.

This means a duty to share financial information with each other. To fulfil this duty, updated information about debts will need to be shared each time there are significant changes to your finances and before every court date, if you have a property case in the Family Court.

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## How are loans from family valued?

Unsecured loans from friends and family members are a bit harder to value and include in the asset pool.

Unsecured means that the loan was offered without collateral – like a house or car that could be sold to repay the debt.

Loans from family are often based on a verbal promise to repay and are unlikely to be enforced. They rely on the trust and relationship between the family members.

## When may an unsecured loan from family be included in the asset pool?

Unsecured loans from family might be included in the asset pool if:

- there was a clear written contract signed by the lender and the person borrowing,
- there are terms of repayment specified, such as fortnightly or monthly,
- interest is added to the principal amount, and
- there is a history of regular repayments being made.

## What if an unsecured loan is not included in the asset pool?

If the unsecured loan is not included in the asset pool, you may be able to have the amount taken into account as a 'contribution' you made to the asset pool.

You should get legal advice about this scenario as it is complex.

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## How can Legal Aid WA help?

### amica

[amica](#) is a secure online tool that helps separating couples reach amicable agreements about parenting and property.

[amica](#) guides people through a step-by-step process and offers information and support along the way to help them reach agreements about parenting issues and property settlement.

[amica<sup>one</sup>](#) is a single-sided version of amica that you can use to find out how amica works and get an estimate of what your property settlement might look like, without involving your ex-partner.

### Legal Aid WA Website

You can also find a range of information, videos and fact sheets about dividing property and finances on the Legal Aid WA website [www.legalaid.wa.gov.au](http://www.legalaid.wa.gov.au).

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CMS 7881212 | Last reviewed Friday, March 10, 2023