

Essay Prompt 1

“Please answer the following questions for Julio and explain your answer for each:

- 1) Can Andrew be ordered to help pay back any of Julio’s student loans?***
- 2) What options can the court order to handle the joint credit card?***
- 3) Will Julio be ordered to sell his car?***
- 4) If Andrew stays in the apartment and Julio moves out, can Julio be ordered to pay half the rent on the apartment through the lease term?”***

This short essay evaluated the applicant’s ability to identify separate (premarital) and marital property; differentiate between assets and debts; understand the concept of equitable division; and communicate these issues to their client in an accurate, clear, precise, and responsive manner. Applicants did not have to write their answer in any particular format, but a high-scoring essay would have included all of the information listed in the paragraphs below.

This question concerns a marital property distribution. Marital property includes all property acquired during the marriage unless an exception applies. Debts are also a form of property and can be marital or separate. The court must equitably divide marital property between the parties.

Student Loans

You (Julio) incurred \$100,000 in student loans during the marriage. Debts incurred during marriage are marital, so your student loan debt is a marital debt. The court must divide this debt equitably between you and Andrew. Because you incurred the loans and will benefit alone from your paralegal degree, the court could order you to repay all of the loans. However, you and Andrew used some of the money (\$40,000) to pay for joint living expenses during the marriage. As Andrew also benefitted from the student loans, he could be ordered to help repay your student loan debt.

Credit Card

You and Andrew took out a joint credit card during the marriage and used it to pay for vacations and other things. The card has a \$5,000 balance. Debts incurred during a marriage are marital, so the \$5,000 balance is a marital debt. The court must allocate this marital debt equitably between you and Andrew, and it can do so in a few ways. For example, the court could order one of you to assume the credit card and be responsible for the entire \$5,000 debt. Or the court could order you two to close the credit card and pay off the balance in some equitable proportion. (*Examinees received some credit for suggesting other equitable solutions for the joint credit card.*)

Your (Julio’s) Car

During the marriage, Andrew co-signed on your loan that allowed you to buy a new car. You still owe \$15,000 for the car. Because you purchased the car during the marriage, the car is a marital asset while the outstanding loan is a marital debt. The facts show that you can afford the car payments on your paralegal salary, so you should not be ordered to sell your car. If the court orders you to pay the loan, it can offset that allocation by ordering Andrew to take on other marital debts (like the lease). The court can also order you to remove Andrew from the car loan, but the finance company may not agree.

Apartment

You and Andrew rented an apartment during the marriage and still have 9 months left on the lease. Breaking the lease may result in financial consequences. Because you are on the lease, you could be ordered to pay through the lease term. However, if Andrew remains in the apartment and you move out, the court can order Andrew to pay for the remaining lease obligation and remove your name from the lease (if the rental company agrees).