

## Interest Charges

California Code of Civil Procedure Section 685.010 and Section 685.020 provide for the collection of interest on all child support judgments at the rate of:

- 10% per year on the unpaid principal balance for any amounts accrued after January 1, 1983, and
- 7% per year for amounts accrued before January 1, 1983.

If a specific interest rate is designated in the court order, then that rate will be used.

The rules for application of payments are contained in the California Code of Civil Procedure Section 695.221, which provides that any payment must be applied first to current support, then to any accrued interest, and then to principal arrearages. The exception is a tax intercept payment through the Internal Revenue Service or the State Franchise Tax Board, which is applied to the arrearages balance.

The computer program reads the payment history, the date and amount of the court order or orders, and then calculates interest according to the legal rules. \*

**\*There are exceptions to the rules.**

On arrearages-only cases, the interest balance **must be paid in full** before any money is credited to the principal arrearages owing. Arrearages repayment is not considered to be a support obligation.

If you have reason to believe that your arrearages balance is not accurate, and you are not satisfied with the explanation of the Orange County

Department of Child Support Services (DCSS), you may file a formal complaint. If you are still not satisfied with the resolution of your formal complaint, you may request a state hearing. Please ask your DCSS representative for assistance with the filing of a formal complaint or a state hearing.

If you wish to dispute our right to charge interest, you will have to file a motion in court or contact your state representative to file a complaint. Contacting your legislator cannot change your legal obligation, but will give you an opportunity to express your opinion.

If your court order was issued in a state other than California, interest charges may not apply to your child support case. Please contact our office with any questions or concerns.

## Things to Remember:

- The interest rate is 10% per year, or .008333 per month. On support amounts due prior to January 1, 1983, the interest rate is 7% per year, or .005833 per month.
- Interest will be added each month to any unpaid arrearages balance.

A **sample** history summary report showing charges, payments, payment source codes, and how interest accrues is on the reverse side of this pamphlet.

**Interest is child support** - All interest collected by DCSS is forwarded to the person (or agency) to whom the child support debt is owed. Payments are processed according to federal and state regulations, with current child support being paid first.

# INTEREST CHARGES ON YOUR CHILD SUPPORT ACCOUNT



**Orange County  
Department of Child  
Support Services**