

SMALL CLAIMS POSTJUDGMENT INTEREST

Interest on Judgment: When Does Interest Begin to Accrue on a Money Judgment?

Answer: Interest Begins to Accrue on the Entry of Judgment Date.

Interest accrues on a judgment award on the date of entry of judgment. See section 685.020 of the Code of Civil Procedure (CCP). In *Dixon Mobile Homes v. Waters*, the court stated that on all judgments, whether contract or tort, interest begins to accrue as of the date of entry of judgment. 48 Cal. App. 3d 964, 975. Also interest accrues during the time for an appeal, a 30-day period following the entry of judgment. See section 116.750 and 116.810 of the CCP. See *Espinoza v. Rossini, Jr.*, 257 Cal. App. 2d 567, 569; *Columbia Sav. Bank v. County of Los Angeles*, 137 Cal. 467, 471-472.

An Exception: Distinguished from the General Rule.

In an eminent domain case, the Court established the date on which interest accrues on a money judgment. See *County of Los Angeles v. Lorbeer*, 158 Cal. App. 2d 804, 809. The Court stated that interest accrues at the end of the 30-day period following the entry of judgment. *Id.* In this case, the plaintiff is given a 30-day period to abandon the judgment. *Id.* No rights or duties attach to the judgment. *Id.* In most money judgment cases, a plaintiff's right to the judgment amount attaches immediately. The 30-day appeals period, in most cases, does not excuse defendant (judgment debtor) from satisfying the judgment until the end of the period. **Thus, Lorbeer is distinguished because of the plaintiff's (judgment creditor) right to completely abandon the judgment. 158 Cal. App. 804.**

Interest on Judgment: Does Interest Accrue on the Entire Judgment Amount after an Installment Plan has been Granted by the Court?

Answer: Interest does not Continue to Accrue After an Installment Plan has been Granted by the Court.

The question posed is whether interest continues to accrue on the judgment amount even though a Court has later granted a request for payments in installments. There is no definitive evidence stating that interest does not or can not be added to the full judgment amount when installments have been granted. Nevertheless, most statutory and case law supports the conclusion that interest does not continue to accrue to the full judgment amount when installments have been granted. See section 685.020 of the CCP. See *County of Los Angeles v. Salas*, 38 Cal. App. 4th 510, 514. Interest, at that point, accrues on each installment as it comes due. See section 685.020(b). See *Salas*, 38 Cal. App. 4th 514.

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Case Law Supports this Conclusion

In a child support case, the Court attached interest only to late child support payments because those payments had already come due. See *Salas*, 38 Cal. App. 4th 510, 514. The Court believed that by doing so it remained within the literal language of Section 685.020(b). See 38 Cal. App. 4th 510, 514. See also *County of Alameda v. Weatherford*, 36 Cal. App. 4th 666.

An Exception: The Court Has the Authority to Grant Interest on the Full Judgment Regardless of a Court Granted Installment Plan

A judge, in Small Claims Court, may grant interest on a postjudgment award, even though installment payments have been later granted, if equity requires it. (See Section 116.610 of the CCP, Small Claims Court . . . may make such orders as to time of payment or otherwise as the Court deems just and equitable for the resolution of the dispute.) See also Section 582.5 of the CCP. In *Hoffee*, the Court stated that all judgments draw interest on the principal amount, further supporting the assertion that the Court has discretion in granting interest on judgments where installment plans have been granted. See *In Re Marriage of Hoffee*, 131 Cal. Rptr. 637, 638. In a dissolution case, the Court believed that equity may require interest to be paid on the full judgment amount even though installments had been granted. See *In Re Pollard*, 204 Cal. App. 3d 1380. In *Pollard* the couple received an order to split the value of their house. *Id.* The husband kept the house and was to pay the wife her half of the value of the house in installments. *Id.* The Court believed that it would be inequitable to fail to provide the wife with interest on the postjudgment award due to the fact that the house equity would increase over time. *Id.* The Court ultimately decided to send the case back down to the lower Court pending a decision as to whether the party would be granted the increased equitable value of the home or interest on the judgment. *Id.* at 1386.