



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code:  Section:

[Up^](#) [Add To My Favorites](#)

**CIVIL CODE - CIV**

**DIVISION 3. OBLIGATIONS [1427 - 3273.69]** ( *Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.*  )

**PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69]** ( *Part 4 enacted 1872.*  )

**TITLE 4. LOAN [1884 - 1923.10]** ( *Title 4 enacted 1872.*  )

**CHAPTER 5. Shared Appreciation Loans [1917.110 - 1917.175]** ( *Chapter 5 repealed and added by Stats. 1982, Ch. 466, Sec. 12.*  )

**ARTICLE 5. Improvements [1917.150 - 1917.151]** ( *Article 5 added by Stats. 1982, Ch. 466, Sec. 12.*  )

**1917.150.** The borrower may have the value of capital improvements added to the borrower's cost of the property, for purposes of determining net appreciated value and the amount of contingent deferred interest, but only if the procedures set forth in this article are followed.

(a) Within 60 days following the completion of capital improvements during any 12-month period with a cost in excess of two thousand five hundred dollars (\$2,500), the borrower shall send by first-class mail a notice of the completion of the improvements to the lender and shall submit proof of cost and an estimate of the increase in value of the property by reason of the improvements.

(b) If, within 30 days of receipt of the notice, the lender questions the claimed increase in value of the property by reason of the improvements, the lender and the borrower may, by mutual agreement, establish the value of the capital improvements or the lender may require appraisal of the property. An appraisal shall be made to determine the increase in value of the property, if any, by reason of the improvements, by two appraisers selected in the same manner specified in Section 1917.142. If appraisals are performed, the increase in value resulting from the improvements for the purposes of this section, shall be one-half of the sum of the two appraisals. The cost of the appraiser selected by the borrower shall be borne by the borrower, and the cost of the appraiser selected by the lender shall be borne by the lender.

(c) A credit for the value of capital improvements shall be provided if the increase in value of the property resulting therefrom is determined pursuant to subdivision (b) to exceed two thousand five hundred dollars (\$2,500).

(d) If 50 percent or more of the value of the labor or other work on the improvements was performed by the borrower, then the actual cost of the improvements need not exceed two thousand five hundred dollars (\$2,500) for purposes of making application under subdivision (a).

*(Repealed and added by Stats. 1982, Ch. 466, Sec. 12. Inoperative January 1, 1987, by Stats. 1982, Ch. 466, Sec. 12.5.)*

**1917.151.** Nothing in this article shall preclude a shared appreciation loan from providing the borrower with a greater credit for improvements than specified in this article, provided the relevant disclosures required by Article 7 (commencing with Section 1917.170) are appropriately modified to accurately disclose the terms of the credit.

*(Repealed and added by Stats. 1982, Ch. 466, Sec. 12. Inoperative January 1, 1987, by Stats. 1982, Ch. 466, Sec. 12.5.)*