



Residency, Home of Record, and Domicile

Before someone decides to change their legal residence, they should become familiar with the different terms used when talking about residency. The terms “residence,” “home of record,” and “domicile” have different legal meanings and consequences and are often confused.

A person’s “home of record” is the state from which they entered the military. It is a snapshot of where the Soldier lived at that time of initial entry, or in limited cases upon reenlistment if there is a break in service. A Soldier’s “home of record” is normally used to determine his travel entitlements upon separation from the military.

A person’s “residence” is merely the place they are living at a particular time. For example, a Soldier stationed at Fort Benning would consider their residence to be in Georgia.

“Domicile” is the place where a person has a permanent home and intends to return at some point. A person’s domiciliary state is also called his “state of legal residence,” which can be a bit confusing as the term uses the

word “residence.” “State of legal residence” however refers to the person’s state of domicile, not the state where the person is temporarily living. Every person has only one domicile. A Soldier, under the Servicemembers’ Civil Relief Act, retains their domicile, regardless of where they are stationed, unless it is voluntarily and deliberately changed.

Soldiers who wish to change their domicile should only do so while physically present in the state. Recent cases have made it clear that persons who attempt to change domicile only by mail, by registering to vote in a new state using a relative’s address for example, or simply changing their state tax code on their Leave and Earnings Statement, will likely have their claim of new domicile rejected. In one case, the “real” state of domicile successfully sued the Soldier for back taxes and held him liable for over \$20,000.

Domicile determines many important matters, including liability for state taxes, controlling law that governs a will and who may act as a guardian for children, as well as whether children attending college in that state may pay in-state tuition fees and be eligible for certain scholarships.

Full Replacement Value for Your Claims

Full Replacement Value for your claims means claims for lost or destroyed items will be paid replacement costs, as oppose to depreciated cost.

The first step in the FRV claims process is to note lost or damaged items on DD Forms 1840 or 1840R. These forms must be submitted to the Transportation Service Provider (TSP) within 75 days from the date of delivery. Once the forms are received, the provider has the right to inspect the damaged items.

The second step is filing the claim with the TSP within nine months of delivery. This typically done by completing DD Form 1844 (or form provided by the TSP) and sending it to the TSP.

Once the claim is filed, the TSP should settle the claim within 30 days. The TSP is responsible for obtaining repair and replacement costs. The provider will also pay FRV cost on items that are lost. If the provider denies the customer’s full claim, makes an offer on the claim that is not acceptable, or does not respond within 30 days, the customer may transfer the claim to the Military

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If you have any questions, comments, or suggestions, please contact the Legal Assistance Office at 263-4698.



FRV, continued...

Claims Office (MCO).

Claims transferred to the MCO within nine months of delivery will be paid depreciated replacement costs only. The MCO, however, will attempt to recover the FRV from the provider. If successful, the claims office will pay the difference between the depreciated amount paid and the FRV amount recovered to the claimant.

Claims filed after the nine months but before the two year period from the date of delivery will only be paid the depreciated value. Claims filed more than two years after delivery date cannot be paid.

For more questions, please contact the Legal Assistance Office or Military Claims Office nearest you.

Contract for Deed

Ownership of real estate is a great feeling. For those fortunate enough to have the available cash, they pay cash for the property and receive a warranty deed in return. A warranty deed guarantees that the buyer is receiving a clear title to the property.

The more common way of purchasing property is to borrow the money needed from a bank or mortgage company, sign a promissory note and a "deed to secure debt," pay the seller, and in return receive a warranty deed from the seller. With the promissory note, we promise to make all the payments necessary to pay off the loan, and as security for that loan, we give them the "deed to secure debt" that they can use to foreclose on the property if we fail to pay off the loan as promised.

In both of the two examples above, we receive a deed which gives us title and ownership of the property. With that ownership, we can sell the property if we wish, borrow money and use it for collateral, even give it away, and if something happens to us, our spouse or children can inherit the property.

However, there is a third way of buying property called a "contract for deed". Unfortunately, the great deals we see for land often involve buying it with a "contract for deed". In those deals, we sign a contract with the development company that owns the large track of land which has been subdivided into lots. That contract is a "contract for deed" in which we promise to make a monthly payment for a certain number of years, and if we make all the payments as promised, they promise to give us a deed at the end of that time.

The problem with this contract is that we acquire no interest whatsoever in the property until it is paid in full. If we run into financial difficulty, a warranty deed could permit us to sell the property and recoup some of our money. With a contract for deed, we have nothing to sell if we need the money and cannot make the payments, or if something happens to us, our family inherits nothing if they cannot continue to make the payments.

The developers love to sell land with a contract for deed because a buyer default allows them to sell the same property over and over again. Buyer - Beware!