

# What if I decide to leave the house?

**You may still be responsible for the debt!** Many people assume that they are no longer responsible for the mortgage if they file a Quitclaim Deed, which conveys the title and their interest in the house to their ex-spouse. That is not true! The mortgage company will still hold you responsible for this debt if your name is on the mortgage agreement. This makes it imperative that the person responsible for the payment remains current!

**This will not be an issue if the ex-spouse refinances the house. They will need to draw up a new mortgage agreement and pay off the original loan with your name on it.**



# What if I want to buy another house?

**After the divorce:** Once you have your final divorce decree, a lender will look at your income and credit to qualify you on your own. In most situations, you need to be collecting your child support and alimony payments for at least three months (with at least a three-year likelihood of continuance) for this income to be used for qualifying. If the divorce decree states that you are not obligated for the mortgage on the home awarded to your ex-spouse, and the payments have not been delinquent during the last 12 months, you may be able to qualify.

**Prior to divorce decree issuance:** You may be able to purchase a home prior to the divorce being finalized, but be very careful in this situation - you do not want your spouse to acquire an interest in the property! The guidance of a skilled divorce attorney and an experienced mortgage lender are both very important in this situation. Be aware that you will have to be able to qualify for your new mortgage while you are still carrying the full debt from the current home.

**We invest the time necessary to make you comfortable with your particular situation by finding a way to meet your needs while planning for your long-term financial well-being. We enjoy the relationships we have with our clients, and take pride in helping them throughout their lifetimes.**

We look forward to working with you to answer all of your home ownership questions and help you meet your financial needs. Call Steven Archard directly today to take advantage of our free mortgage analysis and financial consultation.



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# Divorce and Your Home



**You have options when it comes to your property.**





## *Where do I start?*

Entering a law office can be an intimidating experience, especially during this difficult time in your life. You have many important questions that need to be answered with clarity and honesty. Divorce can be a time of great financial hardship and credit challenges. This is why it is critical that you secure the advice and guidance of a skilled divorce attorney to guide you through the legal process and help you understand what's legally possible and practical for your new situation, personally and financially.

## *Can I keep the house?*

This is, by far, one of your biggest questions right now. Taking the time to talk with a mortgage lender before your divorce - or before you decide to start looking at a new home - can help eliminate many of the concerns and problems that surface during this complicated time. Choosing to work with a mortgage lender who is a "qualified, experienced advisor" is going to be vital to your financial well-being.

## *Should I keep my house?*

Take into consideration the size of your home with regard to family needs and financial responsibilities. Create a breakdown of all of your monthly bills. Since your income will most likely decrease and your mortgage payments may also increase, it is imperative that you are aware of what your monthly expenses will be as you will now be solely responsible for paying these bills.



## *How is the value of the house determined?*

The equity in your home is an asset. During the divorce, there may be a court-ordered mandate for the distribution of equity between the parties. This "equity" is determined by a licensed appraiser and is calculated by subtracting real estate commissions and closing costs from the appraised value of the home.

The equity distribution can be accomplished by selling your home or by one spouse purchasing the interest of the other. Generally, the distribution will need to be completed within a specified period of time.

**The purchase of your home was one of the largest, most important financial decisions you have ever made. Now, you have another one to make and you need to know what your options are.**



## *How do I buy my spouse's interest in the house?*

Should you choose to purchase your spouse's interest in your home, you have two financing options to obtain the funds you will need:

- *You can do a cash-out refinance of your existing mortgage.*
- *You can obtain a new home equity loan.*

There are specific rules to qualifying for a new mortgage. With good credit and income you may qualify on your own (child support and alimony can be counted if received for three months with the likelihood of continuance for at least three years.)

*Deciding which approach is the best for you is where you will want the advice of a trusted mortgage professional.*

