

WHAT TO DO WITH THE HOUSE IN A DIVORCE?

DOES EITHER PARTY WANT TO KEEP THE HOUSE?

YES

Can either party afford to keep the house?
(Must create a future budget)

YES

Are there sufficient assets in marital estate to allow party to **BUYOUT** the other party?

YES

Do parties agree on the value?

YES

EXPLORE REFINANCE OR MODIFICATION OPTIONS

NO

SELL THE HOUSE AND SPLIT THE PROCEEDS

Complete a comparative analysis jointly or individually

Do parties agree on the value?

YES

Do an appraisal jointly or individually. Do parties agree on the value?

YES

TRIAL ON THE ISSUE



JOE METZLER

Mortgage Consultant

NMLS# 274132

Joe.Metzler@CambriaMortgage.com

(651) 705-6261

33 Wentworth Ave East, Suite 290

West St. Paul, MN 55118



Equal Housing Lender. The Joe Metzler Team at Cambria Mortgage lends in Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Colorado, and Florida only. This is not an offer to lend or to extend credit, nor is this a guaranty of loan approval or commitment to lend. Information here can become out of date, and may no longer be accurate. Products and interest rates are subject to change at any time due to changing market conditions. Not all programs available in all states. Actual rates available to you may vary based upon a number of factors. Consumers must independently verify the accuracy and currency of available mortgage programs. All loan approvals are subject to the borrower(s) satisfying all underwriting guidelines and loan approval conditions and providing an acceptable property, appraisal and title report. Joe Metzler, NMLS 274132, Cambria Mortgage NMLS 322798. © 1998 - 2024.



CAMBRIA
MORTGAGE

**DIVORCE &
YOUR HOME**



YOU HAVE OPTIONS WHEN IT COMES TO YOUR HOME

Deciding what to do with your shared marital home can be challenging and depends on each couple's unique situation. Here are potential options to consider and what you need to know to help determine the right path forward for you.

Selling the Home

Many people find it's easier to sell their marital home and split the proceeds as part of the settlement. Both parties can make a clean break and avoid negotiation over who keeps the house. This is also the best option if both parties can no longer refinance or afford the mortgage payments.

Refinancing the Home

A refinance allows the party buying out home to effectively remove the other party from the mortgage. The buyer becomes solely responsible for the mortgage. This protects the spouse who no longer has ownership interest in the home.

Taking Over the Mortgage

If your spouse isn't interested in keeping the house, you can TRY TO assume the loan. Similar to refinancing, you will become the sole borrower. Your lender will remove your spouse's name from the mortgage making you solely responsible for all future mortgage repayments. If the assumable interest for your mortgage is lower than current market rates, this method may be the better option than refinancing.

NOTE: YOUR EXISTING HOME LOAN MUST BE AN ASSUMABLE LOAN. VERY FEW EXISTING LOANS ALLOW THIS OPTION

Maintaining the Mortgage

Sometimes, couples will agree to maintain their original mortgage often to allow the children to stay in the home with one parent while the other moves out. This agreement should only be entered if you trust your former spouse to continue making payments.

DIVORCE FAQs

I want to stay in the home, what should I keep in mind?

Consider the home's size, utility costs, ongoing payments, and family needs. Determine if taking sole ownership of mortgage payments, taxes, insurance, maintenance, etc is a practical decision. Carefully evaluate potential changes in income and increased expenses so you understand the true cost of home ownership post-divorce.

What if I am the one leaving the house?

If you don't want to keep the home, you can sell it, refinance it, or transfer the mortgage. Even if the divorce decree assigns the home to your spouse, you're still responsible for the mortgage according to the lender. Signing a Quit Claim Deed removes your name from the property title but not from the mortgage loan.

What happens if one spouse wants to keep the marital home but can't afford it?

Options include refinancing the mortgage to lower payments, negotiating a buyout over time, or seeking financial assistance through spousal support or other means.

If the divorce decree assigns the home to my spouse, am I still responsible for the mortgage?

Yes, according to the lender, both spouses remain responsible for joint debts, including the mortgage, unless explicitly modified in the divorce decree.

How might this impact my credit and what can I do?

Because you are both obligated on the mortgage until its paid in full or refinanced, it's imperative that the person responsible for the payments remains current. For certain loan types, "Qualifying Name Delete Assumption" may be available which would leave the existing loan in place, but would relieve the spouse no longer occupying from their obligation on the loan.

When can I purchase a new home?

Buying another home while still on the current mortgage is challenging and generally not recommended. After finalizing the divorce, you can qualify for a new mortgage without liability for the current one if the decree assigns sole responsibility to your ex-spouse. Purchasing a new property before the divorce is finalized can complicate matters due to potential marital interest from your ex-spouse and the need to qualify with the debt from your current home. It's advisable to consult both your attorney and mortgage loan officer to navigate your home purchase options effectively.

TAKING THE NEXT STEP

Working with a mortgage loan officer will help you feel confident about your options, empower you to make informed decisions, and set you up for success moving forward. I am here to help:

- Review and understand your options
- Assess your financial situation
- Navigate complexities and provide specialized expertise
- Proactively plan for the road ahead
- & More

Reach out today to schedule a FREE consultation

