

NAVIGATING

Home Ownership during Divorce



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NAVIGATING HOMEOWNERSHIP

during Divorce

Divorce is a challenging process, and when homeownership is involved, it adds layers of financial and legal complexity.

This guide will help you understand key considerations and steps to protect yourself, make informed decisions, and explore financing solutions that align with your future plans.



UNDERSTANDING PROPERTY TRANSFER VS. MORTGAGE LIABILITY

What is it

Dividing a home in a divorce involves two separate but related issues: ownership (title) and financial responsibility (mortgage).

Title Transfer: If one spouse is awarded the home, a Quitclaim Deed or Warranty Deed is typically used to transfer ownership.

Mortgage Liability: Even if you transfer ownership, you remain legally responsible for the mortgage unless your ex refinances or assumes the loan. To fully separate finances, refinancing into a sole name is often the best solution.

PROTECTING YOURSELF FINANCIALLY WHILE EXPLORING LOAN OPTIONS

If you are no longer living in the home, you need to ensure you're not financially tied to it indefinitely. Consider these key actions:

- **Refinancing Requirement:** Ensure the divorce agreement includes a deadline for refinancing the mortgage into your ex-spouse's name. REMIFI offers competitive refinancing solutions to help you or your spouse achieve financial independence.
- **Home Equity Loan Option:** If you need liquidity for a buyout or personal financial needs, a home equity loan may be an ideal solution.
- **Loan Assumption Option:** Some lenders allow one spouse to take over the mortgage, but this depends on their qualifications and the lender's policies.
- **Indemnification Clause:** While your divorce agreement may state your ex is responsible for payments, the lender can still hold you liable if the loan remains in your name.
- **Credit Protection:** Missed payments can impact your credit, even if you no longer own the home. Monitoring payments until refinancing is complete is crucial.

EXPLORING ALTERNATIVES THAT WORK *for your Future*

If refinancing or assumption isn't possible, consider other options:

- **Sell the Home:** If neither party can afford the mortgage alone, selling and dividing the proceeds may be the best option. We can help you secure a mortgage for your next home when you're ready.
- **Co-Ownership for a Period:** Some couples agree to keep both names on the mortgage temporarily, especially if children are involved, but this requires clear financial agreements.
- **Buyout Agreement:** If one spouse wants to keep the home, they may be able to buy out the other's share with cash or assets from the divorce settlement. A tailored refinance or home equity loan through REMIFI can assist in making this transition smoother.

MAKING THE DIVORCE PROCESS SMOOTHER WITH THE RIGHT FINANCIAL DECISIONS *+ bottom line*



Dividing a home in divorce doesn't have to be a battleground. Keeping communication open and working with legal and financial professionals can help you:

- ✓ Make informed decisions about what's best for both parties.
- ✓ Ensure the process is fair and avoids long-term financial complications.
- ✓ Prevent unnecessary stress and credit damage.
- ✓ Leverage the right financing solutions to protect your future.

Bottom Line:

- **Transferring a title does not remove mortgage liability.**
- **To be financially free of the home, insist on refinancing, assumption, or selling.**
- **Work with REMIFI to explore the best mortgage solutions, whether it's refinancing, a home equity loan, or securing a new home loan.**

Next Steps with REMIFI

If you're going through a divorce and need guidance on handling your home and mortgage, REMIFI can help you explore refinancing, home equity loans, or new home purchase financing.

Being proactive now can save you from financial and credit headaches in the future.

Reach out to our team today to discuss the best mortgage strategy for your unique situation.

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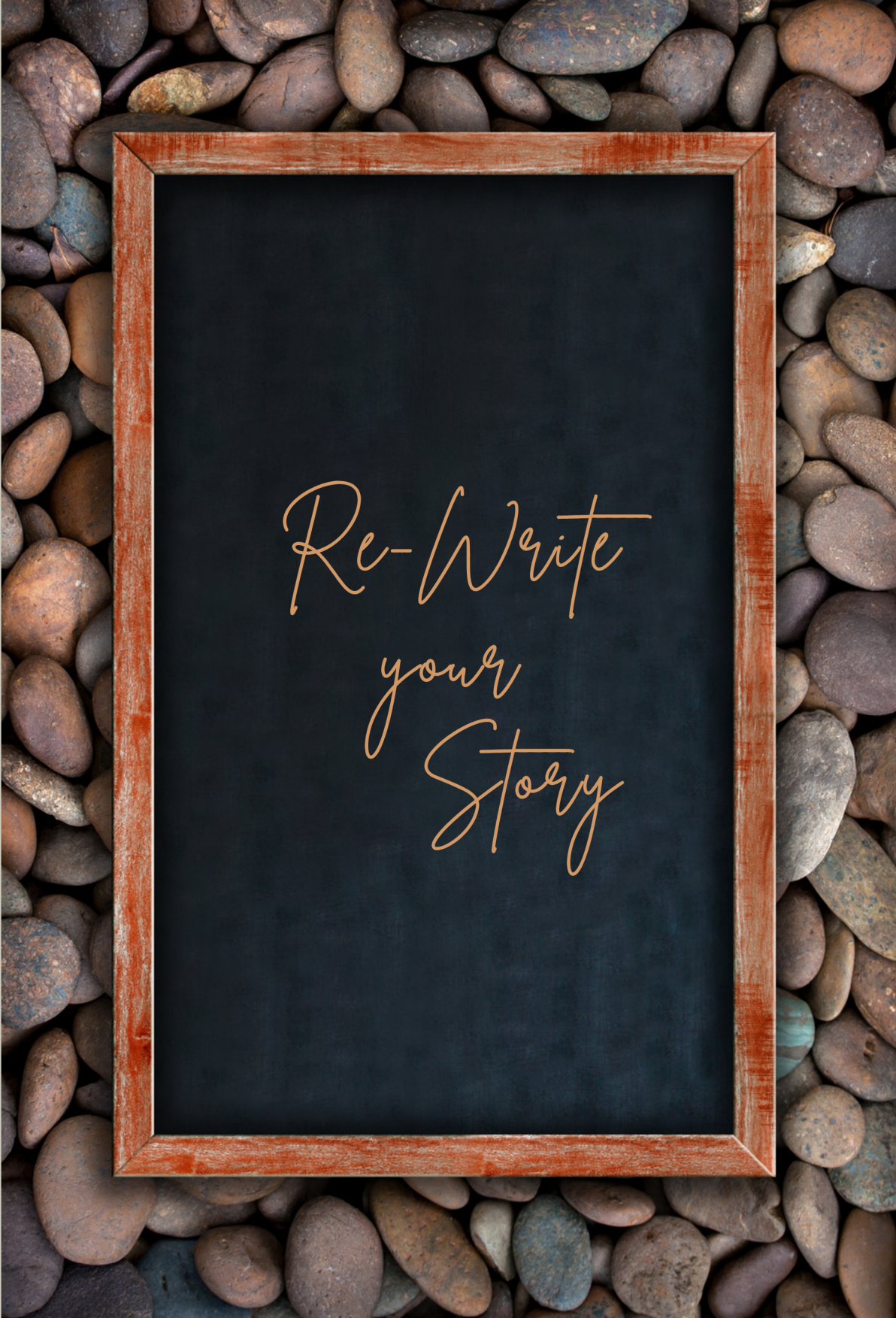
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