

Divorce and Debts: Many Divorces Stem from Financial Issues

Divorce and debts go hand-in-hand. Most couples incur debt while they are together. In fact, many divorces stem from financial issues. Even if you have no children together, debt can keep you tethered together, until the financial issues have been resolved. So, what do you do to take care of the bills, so your credit does not suffer and you can cut the tie that binds you both?

Community Property

Living in a community property state can make it difficult, if you both have incurred debt. In short, you are both responsible for the bills, and you both are required by law to pay your fair share. Unfortunately, you can also be stuck with bills you may have known nothing about before the divorce. Your spouse may have opened a new account without your knowledge, or he/she may have maxed out the credit card prior to the divorce, simply hoping to stick you with the bill.

Being Responsible

In a divorce, financial responsibilities can really make an already stressful time even more complicated. Your ex may not be very concerned about paying off those businesses that have extended credit. However, you do not want to see your credit score plummet for the next 7 years. In addition, creditors are not bound by the divorce decree. So, if your spouse does not pay his/her share, you may be the one to whom they come for resolution of the debt. No. It is not fair! You have always been responsible, but now you are really stuck. You may have to make payments that belong to your ex, simply in an effort to protect your credit. Nevertheless, you will have recourse, if the judge has mandated that the bill be assigned to your spouse. You can save your receipts, present them to the judge, and get a court order to have his/her wages garnished, until his/her portion is paid in full.

Joint Accounts

Even if you have not been the beneficiary of the funds, if you and your ex have opened a joint account, you are both equally responsible for the debt. For example, if you have a joint credit card and your spouse decides to max it out, right before the divorce is final, you will be responsible for your half. The best thing you can do is get your name off these joint accounts as soon as you can—preferably before your spouse has a chance to rack up even more debt, before the divorce is final.

Collections

If an account has been sent to collections because your spouse did not pay for something he/she is responsible for resolving, you should not pay it for him/her. If so, your credit will definitely be ruined for the next 7 years. If you have to pay, arrange for the account to be expunged from your credit record, so you do not have to suffer the penalties for bad credit.

Getting Legal Help

If you and your soon-to-be ex have incurred debt during your marriage, you should seek legal counsel. Especially if the debts have been incurred by your spouse, you are going to need all the help you can get, in order to resolve these financial issues. You can be held responsible for

accounts you knew nothing about before now. You need to do what you can to protect your credit standing and reduce the costs of your liability, so you can truly cut the ties that bind.