

What to Do with a Mortgage After Divorce

Even though it is most likely the last thing on your mind at the moment, deciding how you and an ex will handle a joint mortgage after separating is a massively important financial decision for both of you. Choosing the correct path forward can be difficult but the right choice can set you and your partner up for future stability and ease the emotional transition.

While for some a mortgage can be handled with a simple verbal agreement as to whom will stay responsible for payments after the divorce, in the eyes of the lender, both parties are still legally obligated to pay so long as their name is on the contract. Because of this, we've listed out your options and recommend the safest course of action to protect yourself below.

Mortgage Options After Divorce

The first and most obvious option in dealing with the mortgage is to sell the house and split the profit. It is the clean, simple solution so long as no lawyers need to get involved on the specifics of that split. Selling can provide some emotional closure and financial stability for both of you, particularly for couples without children. However, there are drawbacks, namely the numerous external forces that are out for your hands.

Selling a house can be a relatively quick process if you live in the right neighborhood, but that may not be the case. Selling is completely reliant on the market, finding the right seller, and using the right realtor. With this in mind, the option to sell can work for some, but it namely goes by a case-by-case basis.

Your second option is to leave your mortgage as is. As far as the bank is concerned, you are both still liable for the house so you can simply agree to continue paying your own respective shares of the loan. However, this too has its drawbacks. Your credit score is now heavily influenced by your ex, for better or worse. That means even if you maintain your end of the payments, if they are late, both of your credit scores will take a hit.

Finally, we have the option of refinancing. Refinancing your home can be a great option for couples who may want to keep their home (so as not to remove children from school, for example) while still separating assets.

Refinancing provides the benefits of both options above, allowing one member financial freedom and the other more financial stability while committing to the house. Though this option may seem like the most difficult and tedious choice, there is no doubt the effort put into the process can benefit everyone involved.

That's why we at The Home Loan Expert recommend refinancing your mortgage after a divorce.

Refinancing After Divorce

Simply put, [refinancing your home](#) is just redoing your loan. In this particular case, it can specifically remove an individual from a mortgage (note: this does NOT remove them from the title), but it also can now provide a wealth of financial options to the remaining party.

Homeowners refinance their mortgage all the time for dozens of different reasons:

- To lower their monthly rate.
- To modify the length of their term.
- To switch to a fixed rate.
- To consolidate debt.
- To take cash out.

By refinancing your loan, you can modify your monthly payments to better fit any adjustments to your household's monthly income and set yourself up for future savings and success.

How to Refinance Your Mortgage

The first step to refinancing your home is to fully understand everything that process entails. That's why at The Home Loan Expert, we provide a [FREE mortgage analysis](#) to ensure refinancing your mortgage is the best financial step for you. After we sit down and discuss our findings, you will either understand all of the benefits you will be able to get redoing your loan, or you guarantee your current loan is the safest path moving forward for your budget. Either conclusion comes at no cost to you.

If we do decide that refinancing is your best course of action, we will discuss your short and long-term goals. From there, we will present you with the best available loan options, line-by-line, to ensure you understand everything you have at your disposal to have a successful future.

Why Choose The Home Loan Expert

The Home Loan Expert has offices spread across the country to help you through this. We will even come right to you!

We go the extra mile because we take great pride in our customer service and it sets us apart from the competition. If you're in the process of deciding what to do with your mortgage after a separation, you deserve a team of experts walking you through step-by-step to ensure you are doing the best thing for your financial future.