

# HOME LOAN

QUICKEN LOANS GUIDE

Managing Your Finances During Divorce



---

Home Loan U is a free educational series from Quicken Loans, created to help you make the most of your home, and home financing, at every stage of life.



**Quicken Loans**  
The Easiest Way to Get a Home Loan®

---

# TABLE OF CONTENTS

---

Introduction.....	4
Step 1: Maximize Your Cash Flow .....	5-6
Step 2: Protect Your Home & Family .....	7-9
Step 3: Protect Your Credit .....	10
Step 4: Establish Your Own Credit Rating.....	11-12
Step 5: Plan for the Future .....	13
Never Stop Learning: Count on Quicken Loans for Life.....	14
Contacts at a Glance .....	15
Quicken Loans Financial Checklist .....	16-18



# MANAGING YOUR FINANCES DURING DIVORCE

---

You and your spouse have built a combined financial history. You have most likely co-signed legal documents concerning major purchases, mortgages and car loans. Now, as you legally separate your finances, we want to help you make sure you have the credit, resources and financial tools you'll need to move forward.

For over 20 years, Quicken Loans has helped clients make important financial decisions during emotional and disruptive times, such as that of divorce. Along with your attorney and financial advisor, a home loan expert from Quicken Loans can help you steer through the decisions ahead.



PLEASE INCLUDE THIS GUIDE AMONG  
YOUR REFERENCES AS YOU:

- Maximize your cash flow
- Protect your home and family
- Protect your credit
- Establish your own credit rating
- Plan for the future

Please remember, this is a guide of recommendations only.  
Before making any financial decisions, please consult a tax advisor.

# STEP 1: MAXIMIZE YOUR CASH FLOW

---

Until now, you and your spouse have shared many financial decisions. You most likely combined your incomes to run one household. Moving forward, you may be running the same household with a reduced income.

## CONSIDER THE FOLLOWING STEPS TO REMAIN SOLVENT

### **Negotiate Financial Issues**

In any divorce, financial issues arise that must be resolved, including child support, maintenance and division of assets. A couple of options to consider:

#### **Contact a Lawyer**

Referrals from friends or acquaintances are a good way to choose a reliable lawyer. You can also contact the American Bar Association at [abanet.org](http://abanet.org) or by calling 800-285-2221.

#### **Turn to a Professional Mediator**

A mediator will not take sides but will help work out a settlement that is fair and equitable for both parties. Then, with those issues resolved, separate attorneys (required in most states) can draw up the documents to bring the agreement to court. This option can be less expensive and time consuming. To find a mediator, contact the American Arbitration Association by calling 800-778-7879.

### **Create a Budget**

Many people find it useful to make a list of monthly expenses, including bills (and any expected alimony and child support), and compare it to monthly income. To get started, you'll need to track all of your income and expenses for a month. Make sure to include all purchase - even the small ones. Write them down in a notebook or keep the receipts. Make a list of categories, and include how much you spend in each category for the month. Don't forget to include money that you save each month to help you meet your future goals. Be realistic about your budget, so that it's easy for you to follow. When you add up all the expenses and compare the total to your income, you'll be able to see what next steps you should take.

### **Reduce Expenses**

You might need to reduce or eliminate expenses if there is a change in the household income. Look at various strategies, from the small (turning off lights in unused rooms, for example) to major changes (switching to a more economical car). You might be surprised at how much you can save by taking even the smallest steps.

---

## Control Debt

Maintaining expenses within a new, smaller budget can be difficult, but it's important not to take on more debt than you can manage. For example, we recommend that you not use loans from credit cards to make required payments. Doing so can threaten your long-term financial health as well as your ability to protect and provide for your family.

## Boost Your Income

Finding new sources of income makes a big difference for many families. Consider taking on a second job or starting a sideline business. Find out if you're eligible for temporary public benefits or tax breaks. Contact your local public-assistance office for more information, if needed.

## Consider a Loan if You Need to Bridge the Gap

Cash can be tight for many families until additional financial resources become available. A personal loan from a friend or family member might help.

You might consider refinancing your mortgage to cut your payment or increase your cash flow. Cash out refinances are especially good for meeting large one-time expenses. They may also provide certain tax advantages that are not available with a personal loan or other kinds of credit. Monthly payments will likely be substantially lower than the sum of your other bills because you will be repaying the loan over a greater period of time - for as long as 30 years.

Maintaining expenses within a new, smaller budget can be difficult, but it's important not to take on more debt than you can manage.



A Quicken Loans home loan expert can help you determine whether a refinancing your mortgage would be appropriate for you. Quicken Loans is the leading online home mortgage lender in the country with a wide range of mortgage loans, including those that don't require you to document your income. Log onto our website for information, interactive mortgage calculators and online chat opportunities with home loan experts.

## STEP 2: PROTECT YOUR HOME & FAMILY

---

Preserve and protect your home, family and way of life right now.

### TAKE THE FOLLOWING STEPS:

#### **Continue Making Your Mortgage Payments**

If you are considering selling your home and dividing the assets, be sure to continue payments while the house is on the market to maintain good credit. Before you close, pay any liens on the home that have been placed by attorneys.

#### **Be Aware if a Lien Has Been Placed on Your Home**

Attorneys could put a lien on your house to guarantee the payment of their legal fees. This is a possibility, and they will apprise you of this step. Your mortgage lender will allow the lien. To have the lien removed prior to selling your home, pay all of your legal fees. Then follow up with your attorneys and the three major credit bureaus to be sure the lien is removed.

#### **Know Where Your Records Are**

Know the location of all financial records. If your spouse was in charge of keeping financial documents and you do not know where they are, locate payment stubs or a check register to get started. Last year's tax return is another place to find information on bank accounts, retirement accounts and other assets.



If you are considering selling your home and dividing the assets, be sure to continue payments while the house is on the market to maintain good credit.

---

Close all accounts that have both your name and your former spouse's name on them or ask creditors to convert them to individual accounts in your name.



### **Make a List of Your Bills**

Make a list of company names, what is owed, if anything, and when. We've included a checklist at the end of this guide to help you get started and keep track of your progress. Accounts to consider include:

- Credit cards
- Utilities
- Bank accounts
- Mortgage
- Home equity loans
- Auto loans
- Joint accounts

Close all accounts that have both your name and your former spouse's name on them or ask creditors to convert them to individual accounts in your name. Doing so protects you against new charges your former spouse may incur, complications in your credit score, or even fraud (see "Guard against Identity Theft" in Step 3: Protect Your Credit).

#### THE TOOLS YOU NEED

When times are overwhelming, [Quizzle.com](https://www.Quizzle.com) is a powerful online tool from Quicken Loans to help you sort out your home finances (without ever asking for your social security number). There, you'll get everything you need, including a personalized budget and advice to help manage your finances in the future.

---

## Pay Your Bills

Bills for which you are legally responsible must be covered until final financial obligations are settled in court. If you find yourself with limited resources, certain bills take priority. Here's a list of what bills to pay to protect your family's well-being and your financial future. Feel free to use the checklist at the end of this guide to keep track of your progress.

### These Bills Usually Need Immediate Attention

Mortgage or rent, real estate taxes and insurance. If you are remiss in paying these debts, your life could get out of control very quickly.

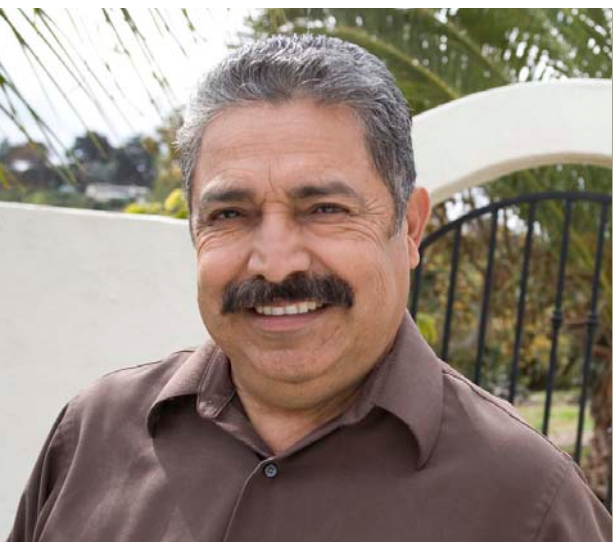
- Health insurance
- Essential utilities
- Credit cards
- Car loans or leases
- Income taxes

Pay any taxes you owe that are not automatically deducted from your paycheck. Always file a Federal income tax return, even if you cannot afford to pay the balance you owe. Consult your tax advisor on these matters, and whether you should file as "Head of Household."

You may be able to put the following payments on hold while your finances settle. Discuss these bills with your financial advisor:

- Student loans
- Attorney, doctor and hospital bills
- Debts for which you have a legal reason for non-payment

For more information, visit [lawhelp.org](http://lawhelp.org). Select your state's name to be directed to free legal information and referrals.



Always file a Federal income tax return, even if you cannot afford to pay the balance you owe. Consult your tax advisor on these matters, and whether you should file as "Head of Household."

## STEP 3: PROTECT YOUR CREDIT

---

Your credit rating is vital to your ability to make almost any significant financial transaction. Landlords, mortgage lenders, banks, insurance companies and employers rely on your credit records to determine whether or not to do business with you.

THE FOLLOWING AREAS ARE OF PARTICULAR IMPORTANCE:

### **Credit Cards and Bills**

You might consider converting joint accounts to your name only.

To protect your credit rating, make sure to pay any bills for which you are responsible on time, using the guidelines we've listed for you under "Protect Your Home & Family" in Step 2.

### **Your Home**

Protecting your status as a homeowner in this particularly vulnerable time is critical to your overall credit score. To make sure yours is secure, you'll need to know:

- Whose name is on the title of the home - Contact your county assessor's office.
- Who is the lender on the mortgage - Look on mortgage documents or payment coupons.

Consult your financial advisor about jointly held property.

### **If Bills Were Not in Your Name**

If your ex-spouse had most or all of the bills in his or her name only, you will need to establish your own credit. Find out how in "Establish Your Own Credit Rating" on the following page.

## MONITOR YOUR CREDIT REPORT

Visit [Quizzle.com](https://www.quickenloans.com), the online tool from Quicken Loans that helps you manage your home and home finances. You'll get a free copy of your credit report and the tips you need to avoid fraud and move forward—all without ever giving out your social security number.



## Guard Against Identity Theft

Unfortunately, changing accounts can make you vulnerable to identity theft. When someone has access to your Social Security number, credit card numbers and other information, they can make unauthorized charges, obtain accounts or loans in your name or commit tax fraud.

Quicken Loans offers a guide that teaches you how to protect your identity and your credit. Download the [Home Loan U Guide to Protecting Your Identity](#) or call for your free copy.

---

## STEP 4: ESTABLISH YOUR OWN CREDIT RATING

---

Establishing your own credit rating is a positive step toward achieving financial stability. If most or all of the bills were in your ex-spouse's name only, this is something you may want to consider as soon as possible.

### HERE'S HOW:

#### 1. Find Out What Your Credit Score Is

A key step to securing a financial future is to find out your credit score. To find yours, go to [quizzle.com](http://quizzle.com) and enter in some information about yourself. Your free credit score and tips to improve it will be generated in moments—and your score and report will be there for you to monitor thereafter. Clear up any inaccuracies by contacting Experian at 888-397-3742.

For complete information about your credit score and what it means to your financial health, download the [Home Loan U Guide to Managing Your Credit](#).

---

## 2. Repair Your Credit Score, if Necessary

If your credit score is low, there are many ways you can repair your credit. Some basic things you can do are to:

- Pay your bills on time
- Pay off debt, rather than moving it from credit card to credit card
- Don't open accounts you don't need
- Don't max out your credit cards



Go to [Quizzle.com](https://www.Quizzle.com) for your free credit report. It only takes a moment to generate your credit score and tips to improve it, plus you never have to give out your social security number.

## 3. Build Your Credit Score

If you have yet to establish credit in your own name, begin building a credit score of your own. Here are a few ideas on ways you could start building your credit:

- Open checking and savings accounts in your name.
- Apply for a credit card. You only need one or two, from a gas company and a department store, for example. Then make small purchases regularly and always pay bills on time.
- A year or so after you have made faithful payments on a credit card, apply for an installment loan (an auto loan, personal loan or mortgage, for example).

You can find more information about credit scores in the [Home Loan U Guide to Managing Your Credit](#).

## STEP 5: PLAN FOR THE FUTURE

---

When you're in the middle of a divorce, it may seem hard to plan for the immediate future, let alone the years ahead. Give yourself some time.

Remember, you can talk to a home loan expert right now or anytime to discuss how you might afford to stay in your home, buy another home or use your home's equity to finance this transitional time in your life.

When you feel the time is right, take a longer-term view of your situation to ensure a solid financial future.

### WE RECOMMEND THAT YOU:

- Define your financial goals.
- Create a new financial plan for your needs. For help making a financial plan, contact the Financial Planning Association by visiting [fpanet.org](http://fpanet.org) or call them at 800-322-4237.
- Explore your career or job options, including retirement.
- Re-examine your investments.
- Create an estate plan for yourself.

Consider personal financial software to streamline banking, investing, taxes, financial planning, budgeting and more. Quicken has a range of personal financial software products, with different levels for different needs. Get more information from Intuit by visiting their website at [quicken.com](http://quicken.com).

# NEVER STOP LEARNING: COUNT ON QUICKEN LOANS FOR LIFE

---

Your Quicken Loans home loan expert is not only here to help you manage your home financing today, but will also help you to achieve your long-term goals. After all, life changes, and your mortgage should change with it.

As a service to our clients, we will keep you informed of industry trends and new home financing options long after your closing. We're always tracking current mortgage rates and we'll alert you if the market ever moves to benefit you in any way.



As an additional benefit, check out [Quizzle.com](https://www.quizzle.com), a new home and money site from Quicken Loans. Quizzle is the only place that gives you a simple understanding of your home and your money, all in one spot. You'll get a free credit report and score, home value estimation, mortgage recommendations, budget tool and so much more! We'll also hook you up with important tips on how to make the most of your home and money – minus the confusing financial jargon.

Any time you have questions regarding home financing, we encourage you to contact your home loan expert. Quicken Loans will continue to give you the service you deserve for the life of your loan.

A referral is the best compliment. If you had a great experience with Quicken Loans, tell someone you know. We can proudly say that 9 out of 10 clients would refer us to their friends and family. We'd be glad if you would, too.



# CONTACTS AT A GLANCE

---

The following is a list of the resources included in this guide:

## **LEGAL HELP**

The American Bar Association

800-285-2221 • [abanet.org](http://abanet.org)

Click on “Public Resources” and then “Lawyer Referral Services”

[lawhelp.org](http://lawhelp.org)

[findlegalhelp.org](http://findlegalhelp.org)

## **MEDIATORS**

American Arbitration Association

800-778-7879 • [adr.org](http://adr.org)

## **CREDIT BUREAUS AND INFORMATION**

Equifax

[equifax.com](http://equifax.com) • 800-685-1111

Experian

[experian.com](http://experian.com) • 888-397-3742

TransUnion

[transunion.com](http://transunion.com) • 877-322-8228

[ftc.gov/bcp/online/pubs/credit/divorce.htm](http://ftc.gov/bcp/online/pubs/credit/divorce.htm) • 877-FTC-HELP

## **FINANCIAL PLANNERS**

Financial Planning Association

[fpanet.org](http://fpanet.org) • 800-322-4237

## **QUICKEN LOANS**

[quickenloans.com](http://quickenloans.com)

[quizzle.com](http://quizzle.com)

[Home Loan U Guide to Protecting Your Identity](#)

[Home Loan U Guide to Managing Your Credit](#)

# QUICKEN LOANS FINANCIAL CHECKLIST

---

Use this checklist to keep track of your progress as you make changes to various accounts. Keep it where you can refer to it often.

**EXAMPLE:**

Phillips Dept. Store	555-9000
• Company Name	Phone
joint account closed, individual account opened 10/12	
Status	

**CREDIT CARDS**

• Company Name	Phone
Status	

• Company Name	Phone
Status	

• Company Name	Phone
Status	

**UTILITIES**

• Gas Company	Phone
Status	

• Electric Company	Phone
Status	

• Local Phone Company	Phone
Status	

---

**UTILITIES CONTINUED**

• Long Distance Carrier Phone

Status

• Cell Carrier Phone

Status

• Cable Carrier Phone

Status

• Water Company Phone

Status

• Garbage Phone

Status

**INSURANCE**

• Life Insurance Phone

Status

• Health Insurance Phone

Status

• Auto Insurance Phone

Status

**BANK(S)**

• Savings Phone

Status

---

**BANK(S) CONTINUED**

• Checking Phone

Status

• CD's, Money Markets Phone

Status

**MORTGAGE LENDER**

• Phone

Status

**HOME EQUITY LENDER**

• Phone

Status

**AUTO LOAN LENDER**

• Phone

Status

**PENSION PLAN HOLDER**

• Phone

Status

**401(k), STOCKS, INVESTMENTS**

• Phone

Status