Divorcing? Your credit could be

By Allie Johnson

Splitting with your spouse? You might be worried about who gets
who gets the dog. But there's another issue you should think abou

"Divorce often wreaks havoc on your credit reports," says John Ulzh
education at CreditSesame.com.

One major problem: joint accounts. Some couples make the mistake
who's responsible for paying them — in the divorce settlement, then
But a divorce decree doesn't supersede the terms of your agreement w
because the court orders one spouse to make payments on a loan or c
spouse off the hook."

Getting divorced doesn't have to ruin your credit, and there are steps
marriage while staying in the good graces of the major credit bureaus

Here are eight ways to keep your credit intact during a divorce:

1. **Make credit a priority.** It's important to let your spouse, you
plan to do everything you can to maintain your good credit, sa
witness in court cases. Tell your spouse: "'I want to close as m
to work together to get this done,'" Binder says. Point out to y
credit matters is in his or her best interest, too, he says.
2. **Check your credit early.** As soon as you decide to get divorc
recommends Tracy Becker, a credit coach and president of N

restoration and education company. You can get a free report from each of the three major credit bureaus (Experian, Equifax and TransUnion) once a year at A credit counselor or other [financial expert] to see how the divor recommends you sign up for credit monitoring, too, to track y

3. **Pay your bills on time.** While you're hashing out the details o paying your bills by their due dates, Becker says. Your payme FICO score, and late payments can seriously damage your cre
4. **Nix joint accounts.** "Closing joint accounts probably is the w Sprauve, senior consumer credit specialist at [myFICO.com]. "' to each other as you go your separate ways." Know, though, t a dip in your [FICO score], since it can lower your credit utiliza have available compared to what you may owe – he says. Bu an angry spouse from racking up debt before the divorce is fin
5. **Switch service accounts to one name.** You might have a slew think landlines, cell phones, gas, electric, water and maybe ev one person's name, Binder says. Go on a case-by-case basis: I home and your spouse doesn't, put the utilities in your name. I phone, make sure you won't be responsible for that bill.
6. **Decide how to deal with a joint car loan.** If you owe on a ve one spouse can buy the vehicle from the other or you can refin **"**Another option would be to sell it outright and be done with
7. **Sell or refinance the house.** If the mortgage is in both names sell the house before the divorce is final, Becker says. Here's a clients agreed that his ex-wife could stay in their home if she'd name. A few years later, he went shopping for a home with hi mortgage because his name was still on the loan for the house "It got worse," she says. "Ultimately, his ex-wife stopped pay foreclosed on the house, and that black mark showed up on th
8. **Freeze out your spouse to avoid fraud.** In a contentious divo freeze on your credit, Binder says. No lender will be able to o you use a PIN and password to lift the freeze, according to Ex have your Social Security number, date of birth and other info name, and it's not uncommon for one spouse to commit fraud "It happens all the time."

If you don't take steps to protect your credit now, you might be sorry worst-case scenario: Your ex could default on a mortgage, car loan or you can end up with charged-off accounts, collections or even a judg says.

If you've got great credit, a derogatory item can bring your FICO scor says. The lower score could lead to higher interest rates, other accoun Binder says.

"At very least, you need to keep track of what your spouse is doing," Share | Tweet

VIEW RELATED STORIES

Is my dad's girlfriend a spender? - This reader worries his dad may be getting too
girlfriend. Is his advice for his father to look at her credit reports tacky or wise?

5 financial experts to help you with your money woes - Whether you're drowning
card, there is a financial expert who can help ...

MasterCard offers new identity theft protection tool - MasterCard has joined the I
theft resolution assistance ...

ALL CREDIT CARD NEWS & ADVICE ARCHIVES >>

If you are commenting using a Facebook account, your profile infor
comment depending on your privacy settings. By leaving the 'Post t
comment will be published to your Facebook profile in addition to t

Secure SSL Technology

Subscribe

About
About Us | Privacy Policy | Editorial Team | Terms of Use
Contact Us | California Privacy Rights | Media Relations | Site Map

Copyright © 2014 CreditCardGuide.com, a Bankrate, Inc. property. All Rights Reserved

Close X

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.