

DAILY NEWS



YOUR MONEY

Use care with joint accounts

THE MONEY PROS

The Money Pros are standing by to take your questions.

Q I just got engaged, and my fiancé and I are considering opening joint accounts. Is this a good idea?

A It is always nice to feel you are sharing in building a future with your partner. But generally speaking, it's not a good idea to open joint accounts. They are not only both parties' legal responsibility, they are also going to affect each's individual credit score.

Of course, in some cases, opening a joint account is your only option. For instance, when it comes to purchasing a home, you will likely need both of your incomes to qualify for a mortgage.

Some things to keep in mind:

- You allow yourself more options when you keep your accounts separate. When couples have separate accounts, they can preserve the credit profile of one spouse, even if the credit of the other spouse suffers. Couples can decide which partner will "sacrifice" their credit score and be the one who is late on payments, in default, or even be the one to declare bankruptcy. The other can save his or her credit, putting the couple in a better position.
- You may not want to think about it, but credit becomes a big issue in divorce.

One of the first things many divorce lawyers tell their clients who have joint accounts is: Stop paying your bills until we come to terms with your spouse. After enduring a long stressful divorce each individual is left with horrific credit scores and has to figure out how to pick up the pieces.

- Independence is key to a strong relationship. Often, a stay-at-home spouse will give up his or her individual accounts. Over the years, frustration and tension can build, especially if his or her decisions are being monitored by their spouse. Remember, being independent with credit and finance can make for a much healthier partnership with more choices in good times and bad.

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