

# Divorce & Your Home


2025

*Everything you need to confidently  
navigate home ownership in divorce*

*hello*divorce.

# Divorce & Your Home

*Everything you need to confidently navigate home ownership in divorce and secure your future.*

*Calculate different options that may be available for you to sell or keep your home with HomeSplit *

## | Checklist: What you need to gather before dividing your home equity

### Understand the basics:

- ☐ Understand the definition of Home Equity: The difference between your home's fair market value and the outstanding balance of all liens on the property
- ☐ Familiarize yourself with how equity is divided in divorce in your jurisdiction (community property vs. equitable distribution)

### Collect these documents:

- ☐ Property Detail Report (**We can help!**)
- ☐ Most Recent Mortgage Statement detailing the remaining balance on your mortgage
- ☐ Documentation for any home equity lines of credit or second mortgages
- ☐ A copy of your property's latest tax assessment
- ☐ Relevant legal documents (deed, title prenuptial agreement, etc.)
- ☐ A copy of any documents you have that prove or show you have a separate interest in your marital property (e.g. bank transfer from a premarital account to a joint account for the down payment of your property)

# Divorce & Your Home

*Dividing Home Equity: A Primer*



## | When going through a divorce, there are a few common options to divide property

1. Buying out your spouse (often referred to as a “buyout”)
2. Selling your house
3. Co-ownership

**Buyouts:** You or your spouse may choose to keep the home, buying out the other’s equity. This is usually accomplished by “refinancing” your existing mortgage so that you can (1) remove your spouse from the existing loan and deed, and (2) use the additional loan proceeds to purchase your spouse’s share of their equity. However, there are many other ways to accomplish a buyout, as described later in this document.

**Selling the home:** Often considered for its simplicity, selling the home and dividing the proceeds is a straightforward method to liquidate the asset. However, if you go this route, it’s important to understand tax considerations and to choose your agent carefully – taking into account things like experience and commission rate.

**Do Nothing for Now:** Sometimes spouses include a term in their divorce agreement to “reserve jurisdiction” over their home – meaning, they continue to co-own temporarily with orders in place for how expenses will be paid with a plan to work out a plan at a later date.

**Co-ownership:** Some ex-spouses opt to retain joint ownership post-divorce, deferring the division of equity to a later time. This requires clear terms to prevent future disputes.

# Divorce & Your Home

Home Equity Division

Our real estate strategists are here to help you understand what you qualify for based on your unique needs, and help you find the best path forward. Additionally, our Certified Divorce Lending Professionals (CDLPs) will assist you in walking through your qualification possibilities for mortgages or refinancing, ensuring that these financial decisions align with your post-divorce goals, needs, wants, and responsibilities.

## Market Value Assessment

**Determining Fair Market Value (FMV):** You can determine FMV by getting a comparative market analysis (CMA). If you and your spouse don't agree - consider hiring a neutral professional to perform an appraisal.

Let the appraiser know if there are any major issues with your home or improvements that might impact the valuation.

## Equity Calculation Breakdown

**FMV - Total Debts (mortgages, HELOC balance, liens) = Equity**

**\*If you're planning to sell your home, consider speaking with a real estate expert. Hello Divorce connects you with trusted agents who offer reduced commissions — saving you thousands.**

**We also offer guidance on mortgage options post-divorce and how to determine the impacts of divorce on your ability to qualify for a new mortgage.**

## 01

### Community vs Equitable Distribution

In a community property state, assets acquired during the marriage are generally split 50/50, while equitable distribution states divide assets based on fairness, which may consider various factors like each spouse's contribution and future needs.

### State-By-State Breakdown

Community: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin

Equitable Distribution: All other states not listed above, where assets are divided in a manner deemed 'fair' by the court (or by agreement). Often 50/50 but not always.

## 02

Key factors that can influence the equity split in equitable distribution states

Understanding the variables:

The split in home equity isn't always straightforward. Factors such as one spouse's career advancement due to the other's support, financial behavior during the marriage, contributions towards the home, health conditions, and the care of children can all influence how equity is divided, aiming for a balance that reflects each party's contributions and needs.

## 03

### Legal agreements and their impact

#### NAVIGATING PRE-EXISTING AGREEMENTS

Existing legal agreements like prenuptial or postnuptial agreements can significantly dictate the terms of the home equity division. These documents may outline specific directions on how assets should be divided, which can override the standard state laws on property division.

## 04

### Co-ownership and third-party interests

#### CO-OWNERSHIP COMPLICATIONS

If you're sharing your home's title with someone outside the marriage, brace for a few extra twists and turns. It's like a group project – everyone needs to be on the same page.

**Schedule a no-cost strategy session with a divorce real estate expert**  
**(Think of us as your navigators in the complex journey of divorce**  
**related home decisions - your go to expert, offering clarity and**  
**compassionate guidance tailored to your unique situation.**



## Divorce & Your Home: Navigating the Legal Landscape

### 05

#### Reimbursements, Credits, and Contributions

#### CLAIMING YOUR SHARE

If you've poured your personal funds (i.e., money from an inheritance) into the family home, whether for down payments or renovations, you may have a claim for reimbursement or a credit.

Another example is when you or your spouse purchased the home before marriage but later converted the property into a joint asset or used earnings during the marriage to pay down the mortgage or make improvements on the house.

### 04

#### Crafting your agreement and using experts

#### CO-OWNERSHIP COMPLICATIONS

While the law provides guidelines, you and your spouse have the flexibility to create an agreement that feels right for both of you, considering your unique circumstances, future goals, and the needs of your family.

Remember, you and your soon-to-be ex can tailor an agreement that feels right. Whether it's splitting everything down the middle or coming up with a creative compromise, you're in the driver's seat. Need some guidance? Hello Divorce has your back, with resources and experts ready to lend a hand.

- Lawyers
- Mediators
- Certified Divorce Financial Analysts
- Real Estate Strategists

# Exploring Your Options: Keeping Your Home

*Refinancing isn't your only path.*

*While it's a common go-to for those looking to keep their home after divorce, it's not a one-size-fits-all solution.*

*Market conditions, interest rates, your anticipated post-divorce income, and credit score – all these factors play pivotal roles in determining the best route for you. If you're considering retaining your home, various alternatives might align better with your situation. Dive into the possibilities below, and remember, our real estate strategists are here to delve into these options with you, ensuring you make a choice that best fits your needs and future plans.*



**Most of these options allow you to access capital from your home so that you can pay your spouse their share of the equity but still stay in and/or keep some or all ownership in your home.**



## Exploring Your Options: Keeping Your Home

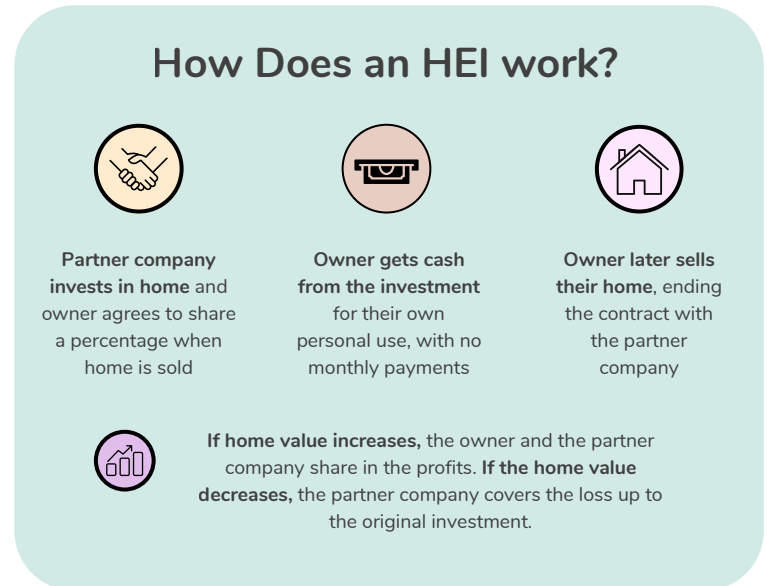
### Home Equity Investment (HEI)

#### How it works:

Receive cash today in exchange for a portion of your home's future value, a creative solution beyond traditional loans.

#### Features:

- ☐ Straightforward approval process
- ☐ No monthly payments or looming interest rates
- ☐ Accessible to a wide range of homeowners, providing flexibility irrespective of age or credit history.



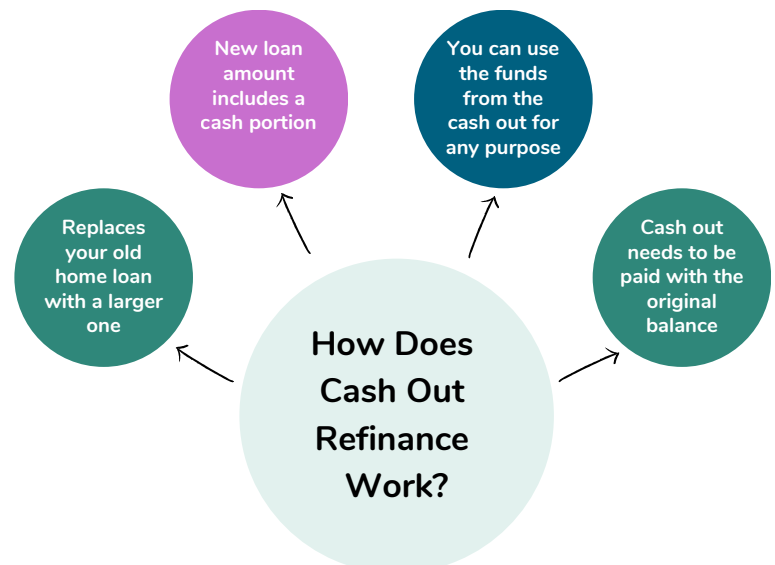
### Cash-Out Refinance

Leverage your equity

**How it works:** Refinance your existing mortgage, extracting cash from your home's equity while potentially adjusting your loan terms.

#### Features:

- ☐ Immediate access to cash
- ☐ Potential changes to your mortgage rate or term
- ☐ Consider the extent of equity accessible and how refinancing impacts your financial landscape



## Exploring Your Options: Keeping Your Home

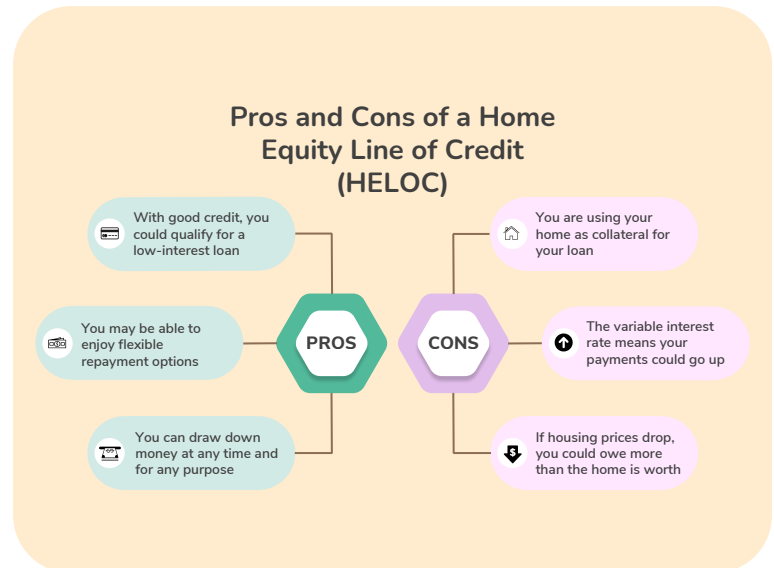
### Home Equity Line of Credit (HELOC)

#### Flexible equity access

**How it works:** A revolving credit line secured by your home's equity, offering adaptable withdrawal and repayment terms.

#### Features:

- ☐ Draw funds as needed, paying interest only on what you use, akin to a credit card but secured by your home
- ☐ Ideal for ongoing expenses or as a financial safety net, providing peace of mind and flexibility



### Home Equity Loan

Secured lump-sum financing

**How it works:** Borrow a fixed amount against your home's equity, repaid over a set term with predictable monthly payments.



#### Features:

- ☐ Clarity on repayment terms and interest rates, aiding in financial planning and budgeting
- ☐ Fixed interest rates ensure consistent payment schedules, safeguarding against market fluctuations

#### Home Equity Line of Credit

VERSUS

#### Home Equity Loan

 <p>Money is borrowed as you need it.</p>	 <p>Money is given to you in one lump sum.</p>
<p>Interest rate is generally a lower variable rate.</p>	<p>Interest rate is fixed.</p>
<p>Better for when you are not sure how much you need to borrow or have ongoing expenses.</p>	<p>Better for when you have a specific purpose for the loan.</p>

## Exploring Your Options: Keeping Your Home

### Reverse Mortgage

#### Strategic Equity Release

**How it works:** Available to homeowners aged 62 or older, offering immediate funds without monthly mortgage payments.

#### Benefits

- ☐ Continues home ownership, allowing you to capitalize on your built-up equity.
- ☐ Understand the long-term implications, ensuring it aligns with your future living arrangements and estate plans.



### Benefits of a Reverse Mortgage

1

#### Your heirs inherit your home

But, they will need to pay off any line of credit you incurred.

2

#### Increase your liquidity

A reverse mortgage provides cash during retirement that can be used for unexpected medical bills, rebalancing stock portfolios, or to cover IRA withdrawals.

3

#### You're backed by the government

If you owe more than your home is worth at the time of your death, the government will pick up the difference.

### Mortgage Assumption

Keep (assume) your existing mortgage (and rate)

**How it works:** Mortgage assumption allows you to take over the existing mortgage on the home at the current terms. This option can be particularly beneficial if the existing mortgage terms (like the interest rate) are favorable compared to current market conditions.

**Considerations:** Not all mortgages are assumable. It primarily depends on your lender and the type of loan. For instance, loans like FHA, USDA, and VA are often assumable, while conventional loans typically are not. It's crucial to check with your mortgage lender or review your mortgage agreement to confirm if your loan is assumable. **You'll generally need to qualify under the lender's criteria, much like you would for a new loan.**

Assuming a mortgage can avoid closing costs, appraisal fees, and potentially capitalize on an existing low-interest rate.

# 10 tips to decide whether to move out before filing

## 01 | Know the law

Some states require “separation” before filing—but that usually doesn’t mean living apart. Staying in the same home is often legal, though not always ideal.

## 02 | Safety first

If there's any threat to your safety, focus first on securing a safe place to live. Don't hesitate to seek a protective order or legal help if you're in a harmful environment.

## 03 | Check your finances

Consider the cost of two households. Can you and your spouse afford to live separately without risking financial stability? How will moving out affect your financial situation?

## 04 | Make a plan

Create an interim plan to cover expenses—like rent, mortgage, and utilities—while protecting both parties’ credit and avoiding financial strain.

## 05 | Are the kids alright?

If kids are involved, prioritize their emotional well-being, stability, and schooling. Talk through and plan living arrangements that best support them through the transition.

## 06 | Get creative

Some states require “separation” before filing—but that usually doesn’t mean living apart. Staying in the same home is often legal, though not always ideal.

## 07 | Make short-term goals

Set clear short-term agreements with your spouse on finances, parenting, and property use to avoid conflict and create structure during separation.

## 08 | Mediate early

Use mediation to agree on separation terms before filing. It encourages collaboration, reduces conflict, and sets the tone for a smoother divorce.

## 09 | Use a finance expert

Before changing your living situation, get advice from financial pros. They'll help you understand how it could impact your finances, obligations, and divorce outcome.

## 10 | Get the receipts

Track all shared and personal assets, debts, and key documents. It's essential for protecting your interests and ensuring nothing gets overlooked in divorce.

# Which Expert Should I Choose?

Hello Divorce provides an entire ecosystem of divorce assistance – tailored to support every aspect of your journey. Imagine a world where expert legal advice, financial guidance, real estate strategies, and mediation services all converge in one harmonious platform, streamlined to empower you through this transition and save you money. From drafting pivotal legal documents to finalizing agreements and even filing them, our platform ensures that every piece falls perfectly into place. And the best part? Embrace the peace of mind that comes with transparent, flat fees, guaranteeing the freedom of comprehensive support paired with the assurance of financial predictability, all under the Hello Divorce umbrella.

	Expert:	What they help with:
<a href="#">CLICK HERE</a>	<a href="#">Lawyer (or Family Law Attorney)</a>	Understand legal rights and obligations • Legal representation in court • Legal advice on divorce proceedings • Drafting and reviewing legal documents
<a href="#">CLICK HERE</a>	<a href="#">Mediator</a>	Facilitating negotiations between parties • Assisting in reaching mutual agreements • Resolving conflicts amicably without court intervention
<a href="#">CLICK HERE</a>	<a href="#">Certified Divorce Financial Analyst (CDFA)</a>	Analyzing financial implications of divorce • Providing insights on division of assets • Financial planning for post-divorce life • Evaluating settlement scenarios
<a href="#">CLICK HERE</a>	<a href="#">Hello Divorce's Real Estate Strategist</a>	Advising on options regarding marital home • Exploring possibilities like refinance, HELOC, or sale • Strategic planning for real estate assets during divorce
<a href="#">CLICK HERE</a>	<a href="#">Certified Divorce Lending Professional (CDLP)</a>	Guidance on mortgage options post-divorce • Refinancing or acquiring new mortgage • Evaluating impacts of divorce on mortgage qualifications

# FAQs

*Can I get my equity share before the house is sold?*

- You and your spouse would have to agree to this, or you would have to convince the court to order this (which rarely happens).

*My spouse just wants to sell our house but I want to keep it. Who can help?*

- A **mediator** can help you through the process of ironing out the details of your divorce, such as dividing home equity. Using a mediator is much less expensive than hiring a divorce attorney and battling it out in court.

*Who can help me figure out if I can qualify for a new home loan on my own?*

- A Certified Divorce Lending Professional (CDLP) can help you determine whether or not you can afford a new loan, what you qualify for and what your new rate will be. Book a free (no pressure) call with a CDLP [here](#).

# 3 Step HomeSplit Solution

- HomeSplit is our specialized service designed to support you in making informed decisions about your marital home during a divorce. It offers a clear, straightforward process to help you understand your options, focusing on figuring out your home's equity and planning the best, most cost effective, steps forward.
- HomeSplit is here for you at any point – before, during, or after your divorce – regardless of whether you're handling your divorce with us or not. Our goal is to help you find the best possible solution for your home,

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## 1. *Get the HomeSplit Calculator*

- Answer easy-to-understand questions online about your home and goals on our private and secure form.
- Review the output on your dashboard and accompanying PDF to begin to understand the approximate equity available for division between you and your spouse, and different options that may be available to keep or sell your home.

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## 2. *Speak with Hello Divorce's Home Advisor*

- You and your spouse book a free appointment (together or alone) with our divorce real estate strategists to explore and discover your home options and how to best divide value to get a fair share.

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## 3. *Choose Your Path*

- We will connect you with a top real estate partner whom we've pre-researched and vetted to get the outcome you are looking for. Because we save our partners so much money, many of them reduce their rates to our customers.

## Creative Ways to Purchase Your Spouse's Equity

### *Co-own and pay over time*

- Benefit: Allows time to adjust financially post-divorce
- Considerations: Requires mutual agreement and trust, ongoing communication and clear legal agreement to outline the terms

### *Offset your spouse's equity share by adjusting spousal support (either reducing the amount paid or waiving all together)*

- Benefit: Simplifies the financial transactions and could be tax advantageous
- Considerations: Must be carefully evaluated to ensure fairness and compliance with legal standards.

### *Refinance your loan solely into your name and pay your spouse's share of the home with other assets (eg investment account)*

- Benefit: Keeps the home's equity intact and avoids having to borrow money from the home (increasing the loan)
- Considerations: **Consult with a Certified Divorce Financial Analyst (CDFA) to do calculations and ensure that this move aligns with your long term financial health.**

### *Other options: Involve a third party or get creative with an agreement*

- Work with a mediator to explore innovative solutions like granting your spouse marital assets of equivalent value, consider a promissory note that legally binds you or find an investor to privately loan you money or co-own property.



# Choose the right plan

## DIY

**\$400**

*Customized Divorce Forms + Instructions*

**What's Included:**

- Hello Divorce software creates your forms
- State-specific instructions for filing your forms with the court
- Unlimited edits and downloads
- Unlimited customer support via email and chat

## Pro

**\$2,000**

*Assisted Full Divorce*

**What's Included:**

- A dedicated forms specialist who manages your divorce
- Our team reviews, files, and serves your forms, and keeps you on track with the court
- Unlimited support from your specialist and team via email or chat

## Plus

**\$4,000**

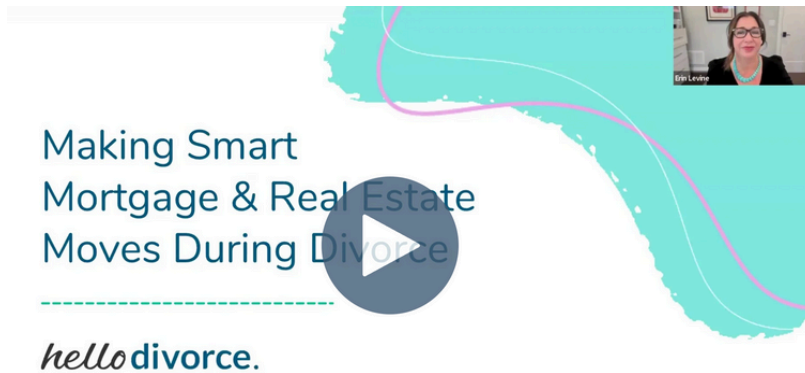
*Expert Led Divorce*

**What's Included:**

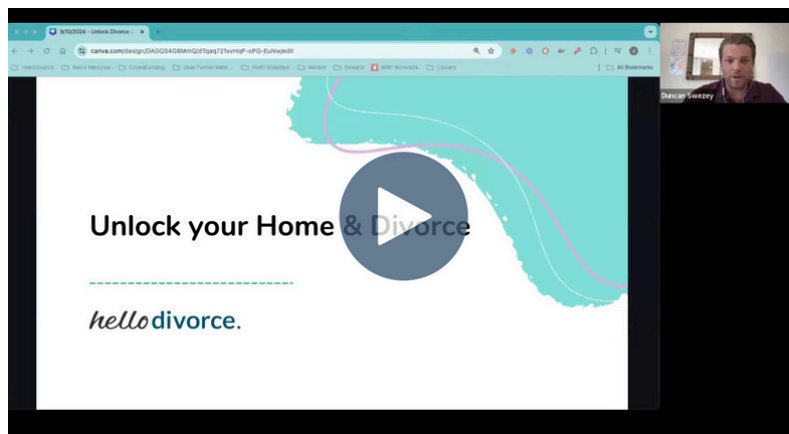
- Forms specialist and complete divorce management
- Expert help from lawyers, mediators, divorce finance experts, and coaches (5 hours included with plan)
- Dedicated Divorce Navigator, who will plan and coordinate each part of your divorce.

# Additional Resources

- **Making Smart Mortgage and Real Estate Moves During Divorce** - Watch the [webinar](#)



- **Unlock Your Home & Divorce** - Watch the [webinar](#)



- **Everything you Need to Know About Keeping Your Home in Divorce** - Watch the [video](#).

