

The Utah Divorce & Mortgage Consumer Guide



Helping Utah Homeowners Protect Their Home, Equity, Credit, and Financial Future During Divorce



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Educational Guide

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WELCOME TO THE UTAH DIVORCE & MORTGAGE CONSUMER GUIDE

Divorce affects far more than your relationship—it can also affect your home, mortgage, credit, taxes, retirement plans, and long-term financial security.

For many Utah families, the family home is their largest asset. Knowing your options before making major decisions can help protect your equity and reduce unnecessary financial stress. Inside this guide you'll learn how divorce impacts your mortgage, what happens if one spouse wants to keep the home, how refinancing works, how equity is divided, and what alternatives may be available when keeping the home isn't the best solution.

Whether you're considering divorce, already separated, working through mediation, or finalizing your divorce decree, this guide is designed to help you understand your options so you can make informed decisions with confidence.



In This Guide You'll Learn

- ✓ How divorce affects your mortgage
- ✓ What happens to the family home
- ✓ Options for keeping or selling the home
- ✓ Removing a spouse from the mortgage
- ✓ Refinancing after divorce
- ✓ Dividing home equity fairly
- ✓ Protecting your credit during divorce
- ✓ Questions to ask before signing a divorce decree



✨ Magic Tip

The best divorce settlements are often built before negotiations begin. Gather your financial information early so you understand your options before emotions take over.

Educational Notice

This guide is provided for educational purposes only. Every divorce, mortgage, legal, and financial situation is unique.

Always consult your attorney, mortgage professional, CPA, and financial advisor before making legal or financial decisions.



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WHAT HAPPENS TO OUR HOME DURING A DIVORCE?

Understanding Your Options

For many Utah couples, the family home is the largest asset they own and often carries the greatest emotional attachment. During a divorce, deciding what happens to the home requires balancing legal, financial, and practical considerations.

The court does not automatically award the home to one spouse. Instead, the outcome depends on Utah law, negotiations between the parties, the divorce decree, and each person's ability to afford the home going forward.

Before making any decisions, understand all of your available options. Acting too quickly can lead to unnecessary financial hardship or missed opportunities.

Common Options

- ✓ One spouse keeps the home
- ✓ Sell the home and divide the equity
- ✓ Delay the sale until children graduate
- ✓ Buy out the other spouse's ownership interest
- ✓ Continue co-owning the property temporarily
- ✓ Refinance into one spouse's name
- ✓ Use home equity to offset other marital assets
- ✓ Explore alternative housing solutions

Key Takeaway

The best decision isn't always keeping the home. The right decision is the one that protects your long-term financial stability.

Smart Tip

Separate emotions from finances. A home may hold priceless memories, but it should also fit comfortably within your future budget.

✨ Magic Tip

Ask yourself, "Can I comfortably afford this home by myself—not just today, but five years from now?" The answer often provides valuable clarity.

Myth vs. Fact

Myth

The spouse who stays in the home automatically gets ownership.

Fact

Ownership is determined through your divorce settlement or court order. Remaining in the home alone does not automatically transfer ownership.

Today's Action

- ☐ List your goals for the home.
- ☐ Estimate your home's current market value.
- ☐ Gather your latest mortgage statement.
- ☐ Write down questions for your attorney and mortgage professional.



UNDERSTANDING YOUR MORTGAGE AFTER DIVORCE

Your Mortgage Doesn't Automatically Change

One of the biggest misconceptions during divorce is believing that the mortgage automatically follows the divorce decree. No. It does not.

Your mortgage is a legal agreement with your lender—not your former spouse. Even if the divorce decree assigns responsibility for the payment to one spouse, everyone who signed the original loan generally remains legally responsible until the loan is refinanced, paid off, or otherwise released by the lender.

Understanding this distinction is essential because missed payments can damage both spouses' credit, even after the divorce is finalized.

Important Mortgage Facts

- ✓ The mortgage remains legally binding.
- ✓ Divorce does not remove a borrower's liability.
- ✓ Late payments affect everyone on the loan.
- ✓ Refinancing may be necessary.
- ✓ Interest rates may be different than your current loan.
- ✓ Equity can influence available options.
- ✓ Loan qualification is based on current income and credit.
- ✓ Professional guidance can help evaluate available solutions.

Key Takeaway

Your divorce decree and your mortgage are two separate legal agreements. Both must be addressed to fully protect your financial future.

Smart Tip

Before agreeing to keep the home, confirm that you can qualify for the mortgage on your own based on today's lending guidelines.

✨ Magic Tip

Many homeowners focus on who gets the house. The smarter question is who can responsibly afford the mortgage over the long term.

Myth vs. Fact

Myth

Once the divorce is final, I'm no longer responsible for the mortgage.

Fact

If your name remains on the mortgage, the lender may still hold you responsible for the debt, regardless of what the divorce decree says.

Today's Action

- Verify whose names appear on the mortgage.
- Determine whether refinancing may be needed.
- Review your current interest rate.
- Schedule a consultation with a mortgage professional.



UNDERSTANDING HOME EQUITY IN A DIVORCE

Equity Is More Than Just a Number

Home equity is often one of the largest marital assets and can play a major role in a divorce settlement. Equity is generally the difference between your home's current market value and the remaining mortgage balance.

Understanding your available equity helps you evaluate options such as buying out a spouse, selling the property, refinancing, or negotiating other assets as part of the settlement.

Keep in mind that market value isn't always the amount you'll receive. Selling costs, taxes, outstanding liens, and other obligations may reduce the net proceeds available to divide.

Factors That Affect Equity

- ✓ Current market value
- ✓ Remaining mortgage balance
- ✓ Home equity loans or HELOCs
- ✓ Closing costs if the home is sold
- ✓ Property taxes and liens
- ✓ Recent improvements
- ✓ Local Utah housing market
- ✓ Terms of the divorce agreement

Key Takeaway

Knowing your home's true equity allows you to make informed decisions instead of emotional ones.

Smart Tip

Don't rely solely on online home value estimates. A comparative market analysis or professional appraisal may provide a more reliable estimate.

✨ Magic Tip

The goal isn't simply dividing equity equally—it's creating a settlement that supports both parties' long-term financial stability.

Myth vs. Fact

Myth

The home's value determines how much equity we have.

Fact

Home equity generally equals your home's current market value minus mortgages, liens, and estimated selling expenses.

Today's Action

- ☐ Estimate your home's current market value.
- ☐ Locate your latest mortgage statement.
- ☐ List any second mortgages or HELOCs.
- ☐ Estimate your available equity.



CAN I KEEP THE HOME AFTER DIVORCE?

Qualifying for Homeownership on One Income

Keeping the family home may provide stability, especially when children are involved. However, the decision should be based on affordability—not emotion.

If one spouse plans to keep the home, they may need to refinance the mortgage into their own name, depending on the terms of the existing loan and divorce agreement. The lender will typically evaluate income, employment, credit history, debt-to-income ratio, and available equity before approving a new loan.

Remember, qualifying for a mortgage after divorce is based on your current financial situation—not your marital status.

Questions to Consider

- ✓ Can I comfortably afford the monthly payment?
- ✓ Will I qualify based on my income?
- ✓ Can I refinance the existing mortgage?
- ✓ Will child support or alimony count as income?
- ✓ What happens if interest rates are higher?
- ✓ Can I afford future maintenance and repairs?
- ✓ Will property taxes and insurance fit my budget?
- ✓ Is keeping the home the best financial decision?

Key Takeaway

Keeping the home only makes sense if it supports your financial future—not just your emotional attachment.

Smart Tip

Create a complete monthly budget before deciding to keep the home. Include maintenance, utilities, taxes, insurance, and unexpected repairs.

✨ Magic Tip

Sometimes the smartest financial decision is choosing flexibility over familiarity. A home should create financial security—not financial stress.

Myth vs. Fact

Myth

If I receive the house in the divorce, I'll automatically qualify to keep the mortgage.

Fact

Mortgage approval depends on your income, credit, assets, and current lending guidelines. Receiving the home does not guarantee loan approval.

Today's Action

- ❑ Create a post-divorce monthly budget.
- ❑ Review your income and debts.
- ❑ Check your credit score.
- ❑ Meet with a mortgage professional to review your financing options.



REFINANCING AFTER DIVORCE

Creating a Fresh Financial Start

Refinancing is one of the most common ways to separate financial responsibility after a divorce. A refinance loan may pay off the existing mortgage and place the home loan solely in the name of the spouse keeping the property, if they qualify.

While refinancing may simplify ownership, it also means qualifying under today's lending guidelines. Your income, credit score, employment history, debt-to-income ratio, and available equity all play important roles.

Interest rates may be higher or lower than your current loan, so it's important to evaluate the overall financial impact rather than focusing on one factor alone.

Benefits of Refinancing

- ✓ Remove one spouse from the mortgage
- ✓ Establish sole financial responsibility
- ✓ Access home equity if needed
- ✓ Simplify future financial planning
- ✓ Potentially change loan terms
- ✓ Replace adjustable-rate loans
- ✓ Improve long-term financial security
- ✓ Meet divorce decree requirements

Key Takeaway

Refinancing isn't just about changing a loan—it's about creating financial independence after divorce.

Smart Tip

Before starting a refinance, gather pay stubs, tax returns, bank statements, and your divorce agreement. Being prepared can help streamline the process.

✨ Magic Tip

The best refinance isn't always the one with the lowest interest rate. Look at the total monthly payment, closing costs, and long-term affordability.

Myth vs. Fact

Myth

Anyone awarded the home in a divorce can automatically refinance.

Fact

Every refinance requires lender approval based on current income, credit, assets, and underwriting guidelines.

Today's Action

- ☐ Review your income.
- ☐ Check your credit score.
- ☐ Gather financial documents.
- ☐ Speak with a mortgage professional about refinance options.



WHEN REFINANCING ISN'T AN OPTION

Exploring Other Solutions

Not everyone qualifies to refinance immediately after a divorce. Changes in household income, credit, employment, or debt may make approval difficult.

Fortunately, refinancing isn't the only possible solution. Depending on your circumstances, there may be temporary or long-term alternatives that help protect both parties while creating time to improve your financial situation.

Every situation is different, which is why evaluating all available options is important before making permanent decisions.

Possible Alternatives

- ✓ Sell the home and divide the equity
- ✓ Delay refinancing until income improves
- ✓ Improve credit before applying
- ✓ Reduce existing debt
- ✓ Explore mortgage assumption (when available)
- ✓ Temporary co-ownership agreement
- ✓ Use other assets during settlement negotiations
- ✓ Consult legal and financial professionals

Key Takeaway

Not qualifying today doesn't mean you never will. Understanding your options helps you move forward with confidence.

Smart Tip

Avoid making major financial changes before speaking with your attorney and mortgage professional. Timing can affect your available options.

✨ Magic Tip

Sometimes the smartest financial decision is creating a short-term plan that positions you for greater long-term success.

Myth vs. Fact

Myth

If I can't refinance immediately, I have no other options.

Fact

Many homeowners use alternative strategies while working toward future refinancing or another long-term solution.

Today's Action

- ☐ Review all available housing options.
- ☐ Identify obstacles preventing refinancing.
- ☐ Develop a financial improvement plan.
- ☐ Schedule follow-up consultations.



SHOULD WE SELL THE HOME?

Sometimes Selling Is the Best Financial Decision

For some couples, selling the home provides the cleanest financial separation. While leaving a family home can be emotional, selling may allow both spouses to pay off the mortgage, divide available equity, and move forward without ongoing shared financial obligations.

The right decision depends on your finances, housing needs, children's stability, and long-term goals. Selling the home can be a thoughtful financial decision that provides flexibility and a fresh start.

—it can be a practical step toward building a stronger financial future.

Before listing your home, understand the costs involved, including commissions, closing costs, mortgage payoff amounts, taxes, and moving expenses.

Reasons Couples Choose to Sell

- ✓ Divide home equity
- ✓ Eliminate joint mortgage liability
- ✓ Reduce monthly expenses
- ✓ Purchase separate homes
- ✓ Simplify the divorce settlement
- ✓ Avoid future financial disputes
- ✓ Relocate for employment or family
- ✓ Create a fresh financial beginning

Key Takeaway

Selling the home can provide financial clarity, eliminate shared debt, and help both parties begin the next chapter with greater independence.

Smart Tip

Before deciding to sell, estimate your expected net proceeds—not just your home's market value.

✨ Magic Tip

Don't ask, "How much is the house worth?" Ask, "How much will each of us actually receive after paying off the mortgage and selling expenses?"

Myth vs. Fact

Myth

Selling the home always means losing money.

Fact

Depending on market conditions and available equity, selling may strengthen both parties' financial position and simplify the divorce process.

Today's Action

- ☐ Estimate your home's market value.
- ☐ Calculate your remaining mortgage balance.
- ☐ Estimate selling costs.
- ☐ Discuss whether selling aligns with your long-term goals.



PROTECTING YOUR CREDIT DURING DIVORCE

Your Credit Is One of Your Most Valuable Financial Assets

Divorce does not separate your credit history. If both spouses signed for a mortgage, credit card, or other loan, missed or late payments can affect both credit reports until the debt is paid, refinanced, or otherwise resolved.

Protecting your credit during divorce can make it easier to qualify for future mortgages, vehicle loans, credit cards, and even rental housing.

Taking proactive steps today can prevent long-term financial problems tomorrow.

Ways to Protect Your Credit

- ✓ Continue making required mortgage payments.
- ✓ Monitor your credit reports regularly.
- ✓ Close or separate joint credit accounts when appropriate.
- ✓ Keep records of all payments.
- ✓ Communicate with your attorney regarding shared debts.
- ✓ Avoid taking on unnecessary new debt.
- ✓ Build an emergency savings fund.
- ✓ Review your credit score periodically.

Key Takeaway

Protecting your credit today can create more financial opportunities after your divorce is complete.

Smart Tip

Obtain copies of your credit reports early in the divorce process so there are no surprises during mortgage qualification.

✨ Magic Tip

Your credit score is easier to protect than it is to repair. Stay proactive throughout the divorce process.

Myth vs. Fact

Myth

My ex missed the payment, so it won't affect my credit.

Fact

If your name remains on the loan, late payments may appear on your credit report regardless of who was supposed to make the payment.

Today's Action

- ☐ Check your credit score.
- ☐ Order copies of your credit reports.
- ☐ List every joint debt.
- ☐ Verify all mortgage payments are current.



UNDERSTANDING YOUR DIVORCE DECREE

The Divorce Decree Is an Important Financial Document

Your divorce decree outlines the legal agreements between you and your former spouse, including what happens to the family home, debts, assets, and financial responsibilities.

While the decree establishes legal obligations between spouses, lenders are generally not bound by those agreements unless the loan itself is modified or refinanced.

Understanding what your decree says—and what it does not say—is essential before making mortgage decisions.

Items to Review

- ✓ Ownership of the home
- ✓ Responsibility for mortgage payments
- ✓ Deadlines for refinancing
- ✓ Equity division
- ✓ Sale requirements
- ✓ Child support obligations
- ✓ Alimony provisions
- ✓ Required financial documentation

Key Takeaway

Your divorce decree provides legal direction, but it does not automatically change your mortgage contract.

Smart Tip

Read every section involving the home before signing. Ask questions about anything you don't fully understand.

✨ Magic Tip

A single sentence in your divorce decree can affect your finances for years. Take time to understand every housing provision.

Myth vs. Fact

Myth

Once my divorce decree is signed, the lender must follow it.

Fact

The lender follows the mortgage contract unless the loan is refinanced, assumed, or otherwise modified.

Today's Action

- ☐ Review every housing-related section.
- ☐ Highlight refinance deadlines.
- ☐ Discuss questions with your attorney.
- ☐ Share the decree with your mortgage professional if refinancing is required.



BUILDING YOUR PROFESSIONAL FINANCE TEAM

You Don't Have to Navigate This Alone

Divorce involves legal, financial, tax, and mortgage decisions that often overlap. Having the right professionals on your side can help you avoid costly mistakes and make informed choices.

Each professional brings a different area of expertise. Working together as a team helps ensure that your decisions support both your immediate needs and your long-term financial goals.

Professionals Who May Help

- ✓ Family law attorney
- ✓ Mortgage loan officer
- ✓ Real estate professional
- ✓ Certified Public Accountant (CPA)
- ✓ Financial planner
- ✓ Mediator
- ✓ Estate planning attorney
- ✓ Insurance professional

Key Takeaway

The right team provides guidance, clarity, and confidence during one of life's most significant financial transitions.

Smart Tip

Choose professionals who communicate with one another. A coordinated team often produces better outcomes than isolated advice.

✨ Magic Tip

The cost of good advice is often far less than the cost of fixing an expensive financial mistake after the divorce is finalized.

Myth vs. Fact

Myth

I only need an attorney to make good financial decisions.

Fact

Attorneys provide legal advice, but mortgage, tax, insurance, and financial professionals each contribute important expertise that may influence your long-term financial success.

Today's Action

- ☐ Make a list of professionals you'll need.
- ☐ Schedule consultations.
- ☐ Organize your financial documents.
- ☐ Write down your biggest unanswered questions.



BUYING A HOME AFTER DIVORCE

A Fresh Start May Be Closer Than You Think

For many people, divorce marks the beginning of a new chapter rather than the end of homeownership. Depending on your financial situation, purchasing another home may be possible sooner than you expect.

Mortgage qualification is based on your current income, assets, credit, employment, and overall financial profile—not simply your marital status. Every situation is different, so understanding your financing options early can help you prepare for a successful purchase when you're ready.

Preparing to Buy Again

- ✓ Review your credit score
- ✓ Build a realistic monthly budget
- ✓ Save for closing costs
- ✓ Maintain stable employment
- ✓ Keep financial documents organized
- ✓ Reduce unnecessary debt
- ✓ Build emergency savings
- ✓ Meet with a mortgage professional early

Key Takeaway

Divorce doesn't end your opportunity to own a home—it creates an opportunity to build a stronger financial future.

Smart Tip

Meet with a mortgage professional before house hunting. Knowing your purchasing power helps you shop with confidence.

✨ Magic Tip

The first home after divorce doesn't have to be your forever home. Focus on financial stability first, then build toward future goals.

Myth vs. Fact

Myth

I have to wait several years after divorce before buying another home.

Fact

Many borrowers qualify immediately after divorce if they meet current lending requirements and can document their financial situation.

Today's Action

- ☐ Review your budget.
- ☐ Check your credit.
- ☐ Start saving for future expenses.
- ☐ Schedule a mortgage consultation.



MORTGAGE SOLUTIONS AFTER DIVORCE

Understanding Your Financing Options

Every borrower's situation is unique. Fortunately, several mortgage programs may help qualified buyers purchase or refinance a home after divorce.

The best loan isn't necessarily the one with the lowest interest rate. The right loan is the one that supports your financial goals while fitting comfortably within your monthly budget.

A knowledgeable mortgage professional can explain the advantages and considerations of each option.

Common Loan Programs

- ✓ Conventional Loans
- ✓ FHA Loans
- ✓ VA Loans (for eligible Veterans)
- ✓ USDA Rural Housing Loans
- ✓ Jumbo Loans
- ✓ Down Payment Assistance Programs
- ✓ Reverse Mortgage (for eligible homeowners age 62+)
- ✓ Refinance Programs

Key Takeaway

Choosing the right mortgage program can make rebuilding after divorce more affordable and less stressful.

Smart Tip

Compare the total monthly payment—not just the interest rate. Mortgage insurance, taxes, homeowner's insurance, and HOA fees all affect affordability.

✨ Magic Tip

The "best" loan is the one that supports your long-term financial goals—not necessarily the one with the smallest interest rate.

Myth vs. Fact

Myth

Only one mortgage program will fit my situation.

Fact

Many borrowers qualify for multiple loan programs. Comparing options often leads to better financial decisions.

Today's Action

- ☐ Learn about available loan programs.
- ☐ Compare monthly payment estimates.
- ☐ Ask about down payment assistance.
- ☐ Review which programs fit your goals.



COMMON DIVORCE & MORTGAGE MISTAKES TO AVOID

Learn From Others Before Making Costly Decisions

Divorce often involves emotional decisions that can have long-term financial consequences. Taking time to understand your options—and asking the right questions—can help you avoid mistakes that affect your home, credit, and future borrowing ability.

Many of these mistakes are preventable with careful planning and professional guidance.

Common Mistakes

- ✓ Assuming the divorce decree removes mortgage liability
- ✓ Missing mortgage payments during the divorce
- ✓ Waiting too long to refinance
- ✓ Ignoring your credit score
- ✓ Keeping a home you cannot comfortably afford
- ✓ Making emotional instead of financial decisions
- ✓ Failing to understand tax consequences
- ✓ Not consulting qualified professionals
- ✓ Taking on unnecessary new debt
- ✓ Signing documents without understanding them

Key Takeaway

Most costly divorce-related mortgage problems can be prevented through education, planning, and timely action.

Smart Tip

If you're unsure about a financial decision, pause before signing. A short conversation with the right professional can prevent years of financial stress.

✨ Magic Tip

The smartest decisions during divorce are usually the ones you'll still appreciate five years from now—not just the ones that feel right today.

Myth vs. Fact

Myth

Everything will work itself out after the divorce is final.

Fact

Many financial decisions made during divorce continue to affect your credit, mortgage options, and wealth for years to come.

Today's Action

- ☐ Review this list of common mistakes.
- ☐ Identify any areas of concern.
- ☐ Write down questions for your advisor.
- ☐ Build a financial action plan before making major decisions.



REAL-LIFE DIVORCE & MORTGAGE SCENARIOS

Every Divorce Is Different—So Are Your Mortgage Options

No two divorces are exactly alike. Your income, home equity, children, mortgage balance, and long-term goals all influence the best path forward.

The following examples illustrate common situations Utah homeowners face. While these are simplified scenarios, they demonstrate how different financial circumstances can lead to different solutions.

Scenario 1 — Keeping the Home

A spouse has sufficient income to qualify for a refinance and wants to remain in the home with the children.

Possible Solution:

- ✓ Refinance into one name
- ✓ Buy out the other spouse's equity
- ✓ Update the deed after closing

Scenario 2 — Selling the Home

Neither spouse can comfortably afford the mortgage after divorce.

Possible Solution:

- ✓ Sell the home
- ✓ Pay off the mortgage
- ✓ Divide the remaining equity
- ✓ Begin fresh with separate housing

Scenario 3 — Waiting to Sell

Children are finishing school, and both spouses agree stability is important.

Possible Solution:

- ✓ Continue temporary co-ownership
- ✓ Define payment responsibilities
- ✓ Set a future sale date
- ✓ Establish written expectations

Scenario 4 — One Spouse Doesn't Qualify Yet

The spouse keeping the home needs additional time to improve income or credit before refinancing.

Possible Solution:

- ✓ Develop a financial improvement plan
- ✓ Monitor credit
- ✓ Reduce debt
- ✓ Reevaluate refinancing when qualifications improve

Key Takeaway

There isn't one "right" solution. The best outcome depends on your finances, your goals, and your family's unique circumstances.

Smart Tip

Explore several options before making a final decision. The first solution isn't always the best long-term solution.

✨ Magic Tip

When evaluating your choices, don't ask, "What do I want today?" Ask, "Which option gives me the strongest financial position five years from now?"

Myth vs. Fact

Myth

There is only one correct way to handle a home during divorce.

Fact

Many successful solutions exist. The right choice depends on your income, equity, mortgage terms, and long-term financial goals.

Today's Action

- ☐ Identify which scenario most closely resembles your situation.
- ☐ Write down your preferred outcome.
- ☐ List any financial obstacles.
- ☐ Schedule a consultation to review your options.

YOUR DIVORCE & MORTGAGE ACTION PLAN

Taking One Step at a Time

Divorce can feel overwhelming, but breaking the process into manageable steps makes it easier to move forward with confidence.

Rather than trying to solve everything at once, focus on completing one task at a time. Small, consistent progress often leads to the best long-term outcomes.

Action Plan Checklist

- ✓ Understand your mortgage.
- ✓ Estimate your home equity.
- ✓ Decide whether to keep or sell.
- ✓ Review your divorce decree.
- ✓ Check your credit.
- ✓ Create a realistic monthly budget.
- ✓ Meet with your attorney.
- ✓ Meet with a mortgage professional.
- ✓ Explore refinancing options.
- ✓ Develop your post-divorce financial plan.

Key Takeaway

Financial confidence comes from preparation—not perfection.

Smart Tip

Keep every important document in one folder so it's easy to access during meetings and throughout the divorce process.

✨ Magic Tip

Don't try to solve next year's problems today. Focus on making the next good decision.

Myth vs. Fact

Myth

I need to have everything figured out immediately.

Fact

Most successful financial recoveries happen one well-informed step at a time.

Today's Action

- ☐ Print this checklist.
- ☐ Complete one task today.
- ☐ Set a goal for this week.
- ☐ Celebrate your progress.



DIVORCE & MORTGAGE RESOURCE CHECKLIST

Helpful Resources Before Making Major Decisions

Having the right information available makes meetings with your attorney, mortgage professional, and financial advisor much more productive.

Gather These Documents

- ✓ Recent mortgage statement
- ✓ Property tax statement
- ✓ Homeowners insurance declaration page
- ✓ Recent pay stubs
- ✓ Last two years of tax returns
- ✓ Bank statements
- ✓ Retirement account statements
- ✓ Credit report
- ✓ Divorce decree or draft settlement
- ✓ List of monthly expenses
- ✓ Home equity loan or HELOC statements
- ✓ Vehicle loan information

Key Takeaway

Being organized saves time, reduces stress, and helps professionals provide better advice.

Smart Tip

Scan important documents into a secure digital folder so they're available whenever you need them.

✨ Magic Tip

Preparation often shortens meetings, reduces legal expenses, and leads to better financial decisions.

Myth vs. Fact

Myth

I'll gather documents when someone asks for them.

Fact

Preparing documents early helps avoid delays and allows professionals to identify potential issues sooner.

Today's Action

- ☐ Create a document folder.
- ☐ Gather financial records.
- ☐ Secure digital copies.
- ☐ Bring them to every consultation.



QUESTIONS TO ASK BEFORE SIGNING YOUR DIVORCE AGREEMENT

Protect Yourself Before Finalizing the Settlement

Before signing any agreement involving your home or mortgage, make sure you fully understand how the terms will affect your financial future.

A few important questions today may prevent expensive problems later.

Questions to Ask

- ✓ Who will own the home?
- ✓ Who will remain responsible for the mortgage?
- ✓ When must refinancing be completed?
- ✓ What happens if refinancing isn't approved?
- ✓ How will home equity be divided?
- ✓ Who pays property taxes and insurance until ownership changes?
- ✓ Are there deadlines for selling the home?
- ✓ How will future repairs be handled before the transfer?
- ✓ Have tax consequences been discussed?
- ✓ Have all professionals reviewed the agreement?

Key Takeaway

Never sign an agreement you don't fully understand. Ask questions until you're confident about every housing-related provision.

Smart Tip

Have both your attorney and mortgage professional review any language involving the home before the agreement becomes final.

✨ Magic Tip

A thirty-minute review before signing can prevent years of financial complications afterward.

Myth vs. Fact

Myth

Once the paperwork is prepared, I should sign it as quickly as possible.

Fact

Carefully reviewing every housing and mortgage provision is one of the most valuable investments you can make in your financial future.

Today's Action

- ☐ Review your agreement carefully.
- ☐ Highlight unclear language.
- ☐ Ask every remaining question.
- ☐ Sign only after you fully understand the financial implications.



AVOIDING THE MOST COMMON DIVORCE & MORTGAGE MISTAKES

Small Mistakes Can Have Lasting Financial Consequences

Divorce is one of life's most significant financial transitions. Many homeowners make decisions based on emotion, time pressure, or incomplete information that can affect their finances for years.

Fortunately, most of these mistakes are preventable with planning, education, and the right professional guidance.

Mistakes to Avoid

- ✓ Assuming the divorce decree removes mortgage liability
- ✓ Missing mortgage payments during the divorce
- ✓ Waiting too long to refinance
- ✓ Not understanding home equity
- ✓ Ignoring tax implications
- ✓ Keeping a home you cannot comfortably afford
- ✓ Making decisions before knowing all your options
- ✓ Failing to communicate with lenders
- ✓ Taking on unnecessary debt
- ✓ Not building a post-divorce budget

Key Takeaway

The best financial outcomes usually come from preparation—not rushed decisions.

Smart Tip

When emotions are high, slow down major financial decisions whenever possible. A little extra time often leads to much better outcomes.

✨ Magic Tip

Don't make decisions based on today's emotions. Make decisions your future self will appreciate five years from now.

Myth vs. Fact

Myth

The fastest decision is usually the best decision.

Fact

Taking time to understand your options before making major decisions before making major decisions often results in stronger financial outcomes

Today's Action

- ☐ Review this list.
- ☐ Identify any potential concerns.
- ☐ Write down questions.
- ☐ Discuss them with your advisors.



FREQUENTLY ASKED QUESTIONS

Answers to Common Divorce & Mortgage Questions

Every divorce is unique, but many homeowners ask the same questions about their mortgage, home, and future finances. Here are some of the most common.

Frequently Asked Questions

Can I remove my ex-spouse from the mortgage without refinancing? In most cases, no. Most loans require a refinance or another lender-approved process before one borrower can be removed.

Can I buy another home before my divorce is finalized? Possibly. Qualification depends on your legal status, income, debts, and loan program requirements.

Will child support count as income? Often yes, if it meets lender guidelines regarding receipt history and continuation.

Can I keep the house if my name isn't on the mortgage? Ownership and mortgage responsibility are different legal matters. Consult your attorney and mortgage professional.

What if neither of us can afford the home? Selling the property may be the best financial solution.

Will divorce hurt my credit score? Divorce itself doesn't affect credit, but missed payments and increased debt can.

Should I refinance immediately? That depends on your income, credit, interest rates, and divorce agreement.

Who should I talk to first? Most homeowners benefit from speaking with both a family law attorney and a mortgage professional early in the process.

Key Takeaway

The more questions you ask before making decisions, the fewer surprises you'll encounter later.

Smart Tip

Write every question down as it comes to mind. You'll be better prepared when meeting with your advisors.

✨ Magic Tip

The best financial decisions usually begin with asking the right questions—not assuming you already know the answers.

Myth vs. Fact

Myth

Everyone's divorce follows the same financial path.

Fact

Every divorce is unique. Mortgage options vary based on income, equity, assets, debts, and the terms of the divorce agreement.

Today's Action

- ☐ Make a list of unanswered questions.
- ☐ Schedule consultations.
- ☐ Organize important documents.
- ☐ Continue learning.



YOUR DIVORCE & MORTGAGE CHECKLIST

Before You Finalize Your Divorce

Understanding Your Home

- ☐ Know your home's estimated value.
- ☐ Understand your available equity.
- ☐ Review your mortgage balance.
- ☐ Decide whether keeping or selling fits your goals.

Financial Planning

- ☐ Build a monthly budget.
- ☐ Review your credit.
- ☐ Organize financial records.
- ☐ Create an emergency savings plan.

Legal Planning

- ☐ Review the divorce decree.
- ☐ Understand refinance deadlines.
- ☐ Confirm ownership provisions.
- ☐ Ask questions before signing

Professional Guidance

- ☐ Meet with your attorney.
- ☐ Meet with a mortgage professional.
- ☐ Consult a CPA if appropriate.
- ☐ Develop a long-term financial strategy.

Key Takeaway

Small steps completed consistently create a stronger financial future.

Smart Tip

Keep this checklist with your divorce paperwork and mark items off as you complete them.

✨ Magic Tip

Preparation creates confidence. Confidence leads to better financial decisions.

Myth vs. Fact

Myth

I'll remember everything I need to do.

Fact

A written checklist reduces stress and helps ensure nothing important is overlooked.

Today's Action

- ☑ Print this checklist.
- ☑ Complete one task today.
- ☑ Review your progress weekly.
- ☑ Celebrate each milestone.



CONGRATULATIONS ON TAKING THE NEXT STEP

Your Next Chapter Begins Today

Divorce is one of life's most difficult transitions, but it can also be the beginning of a stronger financial future.

Whether you decide to keep your home, refinance, sell, or purchase another property, thoughtful planning and informed decisions will help you move forward with confidence.

Remember that you don't have to navigate these decisions alone. The right team can help you protect your home, your credit, and your long-term financial goals.

Continue asking questions, continue learning, and continue making decisions that support the future you want to build.

Continue Your Homeownership Journey

The Utah Homeownership Authority offers additional free Consumer Guides to help Utah homeowners make informed decisions.

- ✓ First-Time Homebuyer Guide
- ✓ Down Payment Assistance Guide
- ✓ Credit Improvement Guide
- ✓ FHA Loan Guide
- ✓ VA Loan Guide
- ✓ Reverse Mortgage Guide
- ✓ New Construction Guide
- ✓ Investment Property Guide
- ✓ Home Selling Guide
- ✓ Self-Employed Borrower Guide
- ✓ Probate & Inherited Homes Guide
- ✓ Retirement Planning Guide

About the Author

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For more than 30 years, I've helped Utah families understand their mortgage options and make confident financial decisions. My goal is to provide honest education, practical guidance, and personalized service so every homeowner can move forward with confidence.

Key Takeaway

Your divorce is one chapter of your story—not the end of it.

Smart Tip

Review your financial plan every year as your goals and circumstances change.

✨ Magic Tip

Financial peace comes from making informed decisions one step at a time.

Myth vs. Fact

Myth

Divorce means starting over from nothing.

Fact

Many homeowners rebuild stronger financial futures through careful planning and informed decisions.

Today's Action

- ☑ Celebrate your progress.
- ☑ Organize your financial records.
- ☑ Continue learning.
- ☑ Build your next chapter with confidence.

CONTINUE YOUR HOMEOWNERSHIP JOURNEY

Free Utah Consumer Guides

Knowledge is one of the most valuable investments you can make. Whether you're rebuilding after divorce, planning your next home purchase, or simply exploring your options, continuing your education will help you make confident financial decisions.

Explore More Free Consumer Guides

Free Utah Consumer Guides



First-Time Homebuyer Guide



Down Payment Assistance Guide



Credit Improvement Guide



FHA Loan Guide



VA Loan Guide



Reverse Mortgage Guide



New Construction Guide



Self-Employed Borrower Guide



Investment Property Guide



Probate & Inherited Homes Guide



Retirement Planning Guide



Home Selling Guide



"The right mortgage decision won't change your past—but it can help build the future you deserve."



[Schedule Your Free Consultation](#)

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✨ Magic Tip

Knowledge is one of the few investments that continues to pay dividends. The more you learn about homeownership, the more confident you'll become when making future financial decisions.