

DIVORCE REAL ESTATE BULLETIN

April-June 2019

Published by: The Divorce Real Estate Institute



WHAT HAPPENS TO THE CHILDREN'S HOME WHEN THE PARTIES DIVORCE?

MARIE MORENO MYERS, Esq., CFLS, with the Divorce Real Estate Institute, Inc.

Deciding what happens to the family home in divorce can raise emotions with the parties, but it's just as important to the children, and the best interest of the child should come first. Think about it...your home is your safe haven, it's the place you go to relax, find peace, and seek comfort.

When the child's parents are going through divorce, their entire world is being turned upside down, and chaos is the new norm. It is hard enough adjusting to a parent leaving the home, but when a house is being sold, they also leave their friends, their routine, possibly their school which also means changing of sports or dance teams or other curricular activities. Their minds spin around with worry:

Mommy and Daddy stopped loving each other...will they stop loving me? Daddy doesn't like mommy...they've always said I'm just like my mommy...so does that mean he doesn't like me anymore?

You can assist your divorce clients in comforting their children by encouraging them to have healthy, respectful, communication with the children. According to the American Academy of Pediatrics, helping children adjust can transform this negative event to a positive experience.

Teach them how to break the news to the children that their home is being sold. Psychologists advise that parents should discuss the positive and negative aspects

of moving; allow the children to express themselves; emphasize the positive aspects of moving; and take the children to the community where they will be living in advance. Encourage your client to become involved in the new community while still keeping contact in the old community; this will make the adjustment less harsh.

The delicate balance is to ensure children do not become overly involved in the details and drama of their parents' divorce. However, keeping them in the loop and positively discussing the new family adventure will make for a happier transition. We can all be child advocates, even if it's just encouraging a parent to do their part.



Tara Chapman
843.813.5771 · tara@tarachapmeanrealestate.com

TaraChapmanRealEstate.com



CERTIFIED DIVORCE
REAL ESTATE EXPERT

THE IMPACT OF CREDIT DURING A DIVORCE

DENISE FONTYN, CDLP, with the Divorce Real Estate Institute, Inc.

Divorce can be a draining and expensive process that weighs on both your clients' emotions and finances.

Maintaining good credit throughout the process is important, whether your client plans to purchase a new home after divorce or not. It will secure his or her financial independence and security while meeting the terms of court orders.

A client's credit worthiness at the outset of divorce proceedings is not a proper foundation on which to finalize decisions as related to property settlement agreements or debt assignment. The lifespan of a divorce can be lengthy and things can change drastically over a 12-24 month period.

One major factor could be your legal fees. If a client uses a credit card to charge upfront and continuing legal fees, their debt to income ratios will be significantly altered, and that, in turn, will lower their credit scores.

Another factor is bill paying during the proceedings. In a contentious divorce, parties may put common accounts on the back burner, much to their own detriment.

Here are tips you can share with your divorcing clients to help keep their credit on solid ground:

- Keep communication open about which spouse is paying for which bill
- Ask creditors if they will transfer debt to the name of the person who will be responsible
- Always make on-time payments of joint bills – any late payments will appear on the credit report for both people associated with the account
- Close joint accounts
- Remove a spouse who is an authorized user on an account
- Let creditors know that one spouse isn't responsible for debts charged to joint accounts by the other spouse after the divorce is finalized
- Sign up for a credit monitoring product during the divorce process

It is highly advised for a client to consult with a specialist in this arena, specifically a Certified Divorce Lending Professional (CDLP), as early in the process as possible as well as immediately prior to final negotiations.



What is a CDRE?

A CDRE handles the sale of real property in family law cases as a neutral expert. A CDRE has knowledge and special skills to handle the effects of the family law process on divorce listings.

Complimentary Services:

- Title Documents
- Property Profiles
- Chain of Title
- Expert Advice to Attorneys with Solutions to Real Property Issues

CASE STUDY

PAMELA EDWARDS-SWIFT, Esq., CFLS, with the Divorce Real Estate Institute, Inc.

Facts:

The parties were investors and had four properties to sell. A stipulation was entered into to sell those properties. One of the properties, although purchased during the marriage, was in the name of Husband only. Husband refused to work with the real estate expert I recommended because according to him he always negotiated for the lowest commission possible and all prior real estate transactions he had been involved in were flawless (of course, they also weren't during a divorce).

Events:

The first Realtor refused to speak with Wife after his first contact with her, which was full of threats against him. It got worse from there and eventually Wife's attorney threatened to report the Realtor to the board, accusing him of unethical behavior. After several months the Realtor pulled out, having sold none of the properties.

The next Realtor lasted only a couple of months, as he had witnessed domestic violence between the parties during an inspection of one of the properties.

Wife was arrested and Husband wanted the realtor to testify at the DV hearing and if necessary, the criminal trial. Needless to say, he pulled out, feeling there was a conflict created. Again, no houses were sold.

The third Realtor was fired by me (Husband's attorney) after I found out he had gone against court orders and had my client sign a sales agreement on the property in which title was held only by my client, knowing that Wife had rejected the offer. His reasoning was he only owed a duty to Husband. The Stipulation signed by the court meant nothing to him.

The last Realtor was finally able to sell the four properties, but not without multiple court appearances.

End result:

It took two years to sell the four properties because of all of the drama. Having a Realtor with knowledge on how to deal with high conflict cases and appointed as an expert would have avoided much of the delay and eliminated the need for many of the court appearances.