



## Divorce and credit

Ask Dr. Don by [Don Taylor, Ph.D., CFA](#) • Bankrate.com

**Q.** Dear Dr. Don,  
I am in the middle of a very bad divorce where my ex-husband has left me with all the major bills. Unfortunately, I have fallen behind on all of the bills and even had to make arrangements with the first and second mortgage companies.

There are times that I've been forced to use my credit cards to meet my living expenses. I know what I should do to pay them down, but my biggest question is, how do I get out of this cycle of being behind and start paying on time? -- *Dianna Debt-ridden*

**A.** Dear Dianna,

If you're in the middle of a bad divorce, then you don't have an ex-husband. If the divorce decree is final, then you do have an ex-husband, but that doesn't mean he gets to be free of the joint financial obligations you took on in marriage.

First, recognize that these are not all your debts. Even a divorce decree doesn't affect your ex-husband's responsibility for any joint debts incurred during your marriage. In a community property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin), his financial obligations may extend to the individual accounts opened in just your name during the marriage, and the individual debts of one spouse may appear on the credit report of the other in a community property state.

Whether or not he's able to recognize it, you both have an incentive to resolve these financial obligations in a manner that will keep the damage to both of your credit histories to a minimum. You're both going to go on to build new lives, and trying to do it with bad credit is an added burden that neither of you need. Late and missed payments stay on your credit reports for seven years.

Along with getting current and staying current on your bills, your immediate priorities concerning credit are to stop him from applying for any new joint cards, keep him from continuing to run up balances on your current joint cards and getting him to accept some responsibility for your current debts.

<http://www.bankrate.com/brm/news/drdon/20020117a.asp>

A Federal Trade Commission (FTC) guide on Credit and Divorce will help you sort out the issues surrounding your credit balances.

Convince him that it's in both of your interests to make required payments on time, even if you just pay the minimum. If you can't convince him and the divorce isn't final, you could request that the divorce court issue a temporary support order.

You haven't given me the particulars of your financial situation, but it sounds like you're at the end of your ability to cope. It would be a good time to talk with a credit-counseling agency. Read this FTC guide for more information on selecting a credit-counseling agency.

Another possibility is to declare bankruptcy. (Credit counselors don't tend to be advocates of bankruptcy as a solution to consumer financial problems, so don't look to them for that advice.)

If the divorce isn't final, it may be advantageous to consider bankruptcy prior to the completion of the divorce decree. You'll only pay for one bankruptcy filing, you'll know when you divorce which obligations will be discharged -- and that may make your divorce less complicated.

Filing for bankruptcy after the divorce is more complex because your filing puts financial pressure on your ex to repay the entire debt. That's because creditors aren't a party to the divorce decree and can continue to look to the ex-spouse for payment. If you were assigned a debt by the divorce decree, however, the ex-spouse could file an action in the bankruptcy court asking the judge to continue to hold you liable for it.

A Chapter 7 bankruptcy stays on your credit report for 10 years, while a Chapter 13 filing stays on your report for seven years. But if he's not going to honor your joint obligations and you can't handle them on your own, bankruptcy may be your best solution, especially prior to divorcing. Get professional advice from a bankruptcy attorney before deciding to file for bankruptcy.

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