

A House Divided

The Clash between Divorce, Real Estate and Mortgage Financing

Jody Bruns

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About the Author



Jody Bruns is the President and Founder of the Divorce Lending Institute and is credited with establishing industry certification programs for both real estate and mortgage professionals working with divorcing clients. Jody takes her knowledge further as an approved continuing education provider for multiple state bar associations and financial planning boards educating attorneys, financial planners and other divorce professionals on the underlying concerns when divorce and real estate meet head on.

Through her own personal journey of divorce involving real estate, Jody knows firsthand the emotions divorce carries with it. Utilizing her own personal experience combined with her 25 plus years in mortgage and finance, Jody has made it her career and passion to educate the divorce community while helping divorcing clients navigate the clash between divorce, real estate and mortgage financing.

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Introduction

Many times in divorce we are more focused on curing the problem at hand, i.e., distributing real estate and assets, that we forget there is life after divorce. Whether you are going through your own divorce involving real estate or you are a divorce professional working with divorcing clients who own real estate, the biggest challenge is the lack of knowledge and understanding of how the various pieces of the divorce puzzle fit together and truly overlap. You don't know what you don't know and not understanding how divorce law, tax rules, real estate and mortgage financing overlap can cause more damage than good.

Who should read this book? Every divorcing person who owns real estate and every Divorce Professional working with divorcing clients who own real estate. This book answers the following questions and more:

1. How can I identify and protect myself from common legal consequences of selling and owning real estate during divorce?
2. Can I buy or sell real estate during the divorce?
3. Can I qualify to purchase a new home if I am still obligated on the mortgage for the marital home?
4. What are my options to purchase a new home if I am paying maintenance or child support?
5. Can I refinance the marital home with only maintenance income?

6. Who gets the mortgage interest deduction on the marital home?
7. Is a Reverse Mortgage a good option for a divorcing senior?
8. How can I manage my credit during and after divorce?
9. Can I qualify for a mortgage if I have assets but no other source of income?
10. What is a divorce appraisal and how is it different?
11. How should we hold title to the marital home after divorce?
12. How can we avoid capital gains on the future sale of the marital home?
13. What if I move into my rental property as my new primary residence?
14. What if there is negative equity in the marital home?
15. How long must we wait to purchase a new home if we filed bankruptcy or lost the house in foreclosure?
16. How can I refinance the marital home and avoid higher interest rates?

How to approach this book. This book is written to help you put the pieces of the divorce puzzle together while answering many of the common and not so common questions of how to distribute real estate in a divorce while setting yourself up for success post-divorce. Real life scenarios are presented to help you identify with what issues you may encounter in your own personal journey through divorce.

I present much of this material in continuing education classes to attorneys and financial planners and continue to be surprised as to how wide the lack of knowledge is from

professional to profession. This is no fault of the divorce professional as divorce attorneys are not tax accountants and real estate professionals are not attorneys. Following one of my presentations, one attorney actually commented, “I feel like I’m on the Titanic and you are just showing us the tip of the iceberg!” This couldn’t be any more true. The number one goal of any divorce professional should be to help set the divorcing client up for success after the divorce rather than just getting them through the divorce. We as professionals owe it to our divorcing clients to either educate ourselves on how our piece of the puzzle overlaps with others or make sure we have a strong professional divorce team available to better serve our clients.

My hope is that the information provided in this book will help you not only identify potential hurdles when dealing with divorce and real estate but help you clear the hurdle without stumbling. The clash between divorce, real estate and mortgage financing can be less frustrating when knowledge and commonsense are applied.

