



# Real Estate during a Divorce

by *Susan DeBoer*  
REALTOR®

**Gateway**  
PROPERTIES

# Welcome

Susan believes that the key to a smooth and seamless transaction is all about delivering top-notch customer service and building a solid relationship with the agent on the other side of the transaction. Since becoming a real estate agent 11 years ago, she's proud to have earned her RCS-D Real Estate Collaboration Specialist-Divorce designation. With this, she is uniquely positioned to help families navigate the complexities that often come up during this sensitive journey, as it relates to real estate.

*susan* DeBoer  
REALTOR®



# STEPS TO SEPARATE

01

Agreeing to a Refinance  
without obtaining Mortgage  
Pre-Approval

02

Agreeing to Keep the House  
without Looking for Liens

03

Agreeing to Keep the  
House Without Confirming  
Insurability

04

Keeping the House with  
Hidden Condition Issues

05

Agreeing to Sign a Quitclaim  
Deed Without Written  
Mortgage Refinance Pre-  
Approval





# DETERMINING PROPERTY OWNERSHIP

Before you can take part in selling your home as part of a divorce in California, you've got to make sure that you own the house in the first place.

Sounds simple. But that isn't always the case.

California courts operate under the presumption that property, including homes, acquired during the marriage are community property. The exception is if the house was clearly acquired and given to one spouse only through an inheritance or a gift.

This means both spouses own equal shares of the home. Both are entitled to 50% of the net proceeds of the sale of the house. California differs from most other states that work under the presumption of equitable distribution. Using this premise, assets such as homes are divided fairly and equitably, but not always equally (50/50) in a divorce.

Consider yourself lucky to be a resident of California, where community property laws simplify the process most of the time. This is the case when a home was purchased after you got married and both spouses are on the title, making you equal partners in the appreciation and the debts associated with the abode.

However, there are also cases where a house was purchased by one party before getting married, and only one spouse's name is on the title. It creates the presumption that the house is separate property belonging to one spouse and not the other.

# DIVORCE IS HARD - WE ARE HERE TO HELP



Protecting your finances is one of the top priorities in a divorce. For many Californians, the most significant part of that goal is making sure that your interests are protected when it comes to selling your house. This is what you need to know and the steps you need to take to make sure you are treated fairly before, during, and after this critical transaction.

*Let's get started*



# MISTAKE 01



## **AGREEING TO A REFINANCE WITHOUT OBTAINING MORTGAGE PRE-APPROVAL**

Part of our House Due Diligence and counseling, includes written mortgage prequalification or preapproval. Our experienced lenders who specialize in this process, confirm each spouse\* qualifies for the determined loan program (or what they need to do in order to be approved).

*\*Each spouse must provide qualifying documents in order to provide this.*



# MISTAKE 02

## AGREEING TO KEEP THE HOUSE WITHOUT LOOKING FOR LIENS

Liens are debts that could cloud the title of the house. Liens can be for a variety of things including, but not limited to, unpaid medical bills, property taxes, credit card debt, unpaid contractor bills, etc.

These liens may prevent you from refinancing the mortgage or selling the house unless the debts are settled.

When a lien is recorded against title, the lien reduces the equity by the amount of the debt. The lien usually must be paid in order to refinance or sell. Liens are a common occurrence during the financial strain of divorce.

## AGREEING TO KEEP THE HOUSE WITHOUT CONFIRMING INSURABILITY

Simply because the house had insurance during the marriage does not guarantee that insurance coverage will continue after divorce. Lack of maintenance or too many insurance claims filed may render it uninsurable.

As the house spouse, if your credit score and separate insurance score are lower than your former spouse, along with claims history, you could end up paying three to five times more than the house insurance rate prior to divorce.

# MISTAKE 03



# MISTAKE 04

## KEEPING THE HOUSE WITH HIDDEN CONDITION ISSUES

The condition of a house can reduce the value significantly. Poor house condition can also affect children's ability to learn, as well as their health and safety.

What is your house hiding that you may not be aware of?

Is there a leak in your crawl space? Is your roof properly ventilated (meaning you may have to replace the roof sooner than you planned or expected)?

Have you been in all of the "inaccessible" areas of your house to assess the condition?

Are there signs of wood destroying organisms (termites, dry rot, etc.)?

Is there any organic activity that could be determined to be mold?

House repairs can be very expensive. Make sure you know the condition of your house and the cost of repairs before agreeing to keep it during mediation of a property settlement agreement.



# AGREEING TO SIGN A QUITCLAIM DEED WITHOUT WRITTEN MORTGAGE REFINANCE PRE-APPROVAL

If the mortgage refinance of your former spouse does not go through, you could remain responsible for the mortgage as the co-borrower.

Signing a quitclaim deed has no impact on your obligation to the mortgage debt. The deed is NOT the debt.

These are separate legal instruments. Changing one (signing a quitclaim for example) does not automatically change the other (obligation of mortgage).

Make sure you understand joint and several liability before finalizing property division. It is important to discuss this with your attorney before agreeing to something of this nature.

## MISTAKE 05



**JOIN OUR**

# Happy Client Club

Susan was a rockstar from the word GO! She gave me great advice on how to better prep my home for sale and was very aggressive in marketing my home. She was always available for a phone call or text and helped me understand the process every step of the way. Susan made a stressful process a breeze and ensured that I was informed every step of the way. Her incredible negotiation skills were helpful in the purchase of my new home as well. Susan and her team handled everything, from staging, inspections, video, walkthrough and was even able to help me find affordable insurance in a wildland fire prone area. Susan is a 10 in my book.



Susan offered us exceptional customer service throughout the selling process. She took time to come out and assess our property for any suggestions for a quick sale and ensured it was posted quickly. We had a super easy sale and a great outcome!



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