

# 10 Things to Do Right Now to Protect Your Assets During Divorce

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*Going through a divorce can be an emotional and financial rollercoaster. Unfortunately, there is little that can be done to fully prepare you for the ugliness of a highly contested divorce; but, there are some things that you can do to help yourself get started. These 10 steps below, when combined with good record keeping and diligence, will help you navigate the financial stressors of a divorce.*

## 1 Pull A Credit Report

As soon as you think you are going to start your separation, or you believe you are heading towards divorce, it is a good idea to pull a full credit report so that you can understand all of accounts that are open in your name. Doing this will give you a very good synopsis of what debts existed during the marriage versus what debts may exist at the time the divorce is actually finalized.

## 2 Start Cataloguing All of Your Assets

During divorce proceedings, the court will divide the marital share of the assets—this is just simply the portion of the assets that were accrued during the marriage. Most assets will be 100% marital, but some assets may be pre-marital or hybrid assets—this means that the asset or some portion of the asset was bought or earned prior to the marriage. A good example of a hybrid asset would be a house that was bought before the marriage but paid off during the marriage. This would make the home partial marital property and partial separate property. In order to prove the separate portion of the asset, you must have evidence that tends to show the pre-marital portion of the asset.



## 3 Know the Incomes of Both Parties

If you are heading toward separation or divorce, it is a good idea to start making copies of tax return documents from at least the past three years. The tax returns should show the incomes of both parties, information that becomes very important in cases of child support and spousal support. If one spouse has their own company and you suspect they have not fully reported their income, you will want to start gathering proof of that as well. Try to find bank statement records showing deposits, or credit cards that would tend to show that the spouse is spending more than they claim to make.

## 4 Start the Process of Separating

**Finances**  
You want to start the process of separating joint financial accounts. Some accounts may allow you to simply remove the name of the other spouse while others may not allow this. If the account does not allow you to simply remove the name of the other spouse, you may want to open a separate account that only you use and then send an email to your spouse letting him/her know that you did this.

## 5 Start the Process of Separating Debts

You want to start the process of trying to separate out debts that are attributable to one person. Credit cards, personal loans, cars, etc. This does not work for things like homes. The goal is to have a solid understanding of what is your debt and what is your spouse's debt.

## Figure Out How Much

## 6 Child/Spousal Support Will Be

During the divorce process, the court can order one party to pay child and/or spousal support to the other party. It is important to know the incomes of both of the parties so that you can get a solid understanding on how much you will have to pay, or how much you may be getting, in the event that the court makes a temporary award.

## 7 Now You Can Budget

Before taking any actions in the divorce, it is a good idea to budget—understand what you can and cannot afford. Too often, we see one spouse move out of the marital home and into an apartment only to later realize that they can't afford to pay for everything. The higher earning spouse, or the sole breadwinner of the family, you need to budget using the idea that you will be the one that continues to pay for everything. Once child and/or spousal support kicks in you may not be able to afford to move out of the home after all.



## 8 Stay in the Home

As stated above, you may not be able to afford to move out of the home once the court enters temporary orders. So, staying in the marital home, no matter how unpleasant, may be the best financial decision you can make. Paying for one home is much cheaper than trying to pay for multiple homes.

## 9 Update Your Estate Plan

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While you are going through the divorce process, your spouse can still make end-of-life decisions for you and will be your power of attorney in the event that you become incapacitated. It is very likely that you do not actually want your soon-to-be ex-spouse making these decisions. Updating your power of attorney, medical directive, and other estate planning documents is an essential part of any divorce planning.

## 10 Pull Your Credit Report Again

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Right before your divorce trial or settlement conference, pull your credit report again and compare the original credit report to the current one. You want to make sure everything is as you expect. The unfortunate reality is that your soon-to-be ex-spouse likely has the necessary information to open lines of credit in your name and without proof, these debts may just simply be paid from joint assets.

*If you, or someone you know, is going through a divorce, go through this checklist and make sure that you have everything on track. If you need help going through these items, contact the attorneys at Melone Hatley, P.C.*