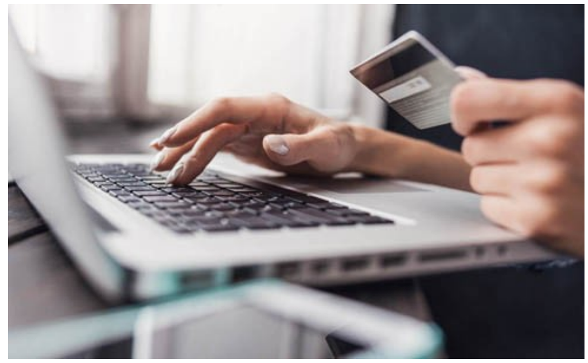
Credit Card Chaos: Safeguarding Your Credit in Separation



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By Megan Smith and Emily Ingall

Often spouses share joint credit cards during their marriage, or one spouse may be added as an authorized user on the other's credit card. However, upon separation, one party may continue using the card, leading to significant debt accumulation.

When considering divorce or separation, paying prompt special attention to the status of your credit accounts is crucial. Determine if the accounts are joint or individual. If there are any individual accounts, check if your spouse is an authorized user. Please consult an attorney about closing joint accounts or converting them to individual ones before canceling any authorized user cards. Additionally, it is essential to run a credit report to identify all accounts in your name or jointly. Often, one spouse may be unaware that their credit is linked to the other spouse's accounts.

In many divorce cases, parties and their attorneys will reach an agreement as to who is responsible for which credit card debt or arrange to pay off specific debts from marital assets before or after the finalization of the divorce. However, what if one party fails to abide by the agreement? In the case of a joint account, failure to pay by one party would adversely impact both parties' credit scores. While the innocent spouse can bring the offending spouse back to court for violating the order, there is no court remedy to repair a credit score.

Avoid leaving any loose ends in your divorce proceedings. Ensure all joint accounts are closed and paid off before the divorce is finalized or transferred into the responsible party's name. Don't solely rely on your spouse's agreement to pay off the debt. Secure funds from another asset, if possible, to settle the account promptly and ensure your name is removed from the account as soon as possible.

When considering divorce or separation, consult with an experienced family law attorney such as Megan Smith and Emily Ingall about closing joint accounts or converting them to individual accounts before canceling any authorized user cards. Should you have any questions, don't hesitate to contact Megan and Emily for guidance.