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When a Spouse’s Financial Decisions Affect Your Credit

More often then not, clients are contacting us about loans they never secured, credit cards they never used, and even tax returns they never reviewed or filed for companies they never knew they owned. Sometimes, clients won’t learn about a loan or credit card their spouse secured in the client’s name until a debt collector contacted them or they received a letter in the mail for nonpayment. This can be damaging to a spouse’s credit and sometimes frustrating to correct.

The first action item a spouse should do when filing for divorce is to secure a credit report. There are credit agencies that will provide one free report a year. Ordering reports every six months from each of the reporting agencies allows a spouse to obtain valuable information and assistance in correcting financial issues. Additionally, clients should be proactive in getting documents for loans or mortgages to see if those documents list their names as the guarantor. Finally, a client should be proactive in filing tax returns and timely paying taxes. The complete tax return with all attachments should be thoroughly reviewed to gather all information about any outstanding tax liens or late filings. Always bring any financial concerns to the attention of your family law attorney who can provide resources and assist the client in correcting their financial record.