



Divorce Lending Presentation for CFAs, CFPs

July 2022

Community Property: what it means

Texas is a Community Property state ... discuss key points

How I behave

- I want to be a resource for YOU (the CFA) to grow your business and serve your customers more "meaningfully."
- The intersection of divorce and mortgage comes at the lowest point in the client's life and I keep that in the forefront of my mind. Every day.
- My business is transactional - I get in, set the loan up, and close it. I don't solicit other parts of the client's business.
- ***I never*** disparage the mom who has been at home with kids and not "working" ... I never know which CFA was raised by a single mom (and I am one, duh).
- I don't have to hurt one side to help the other.

My product

Lending concurrent to divorce usually means refinancing the marital residence into one party's name ... if your client waits until the marriage is over to apply for a loan, it may be too late.

- I can help your client understand what "income" means to an underwriter. Just receiving \$5 million in a QDRO may not actually be all that relevant.
- Your client may be expecting to receive \$20,000 a month in child support ... but if the child is 16.5, it won't be usable. We have to show __ years of continuance ...
- I can help your client understand the 4 parts of the mortgage payment if s/he has never been the one to run household financials.
- I can help your client understand his/her obligations under the terms of this VERY IMPORTANT CONTRACT between the individual and the lender.
- If the departing ex stands to receive a payment from the home equity (we refer to this as an "equity buy out" in CDLPLand), we can set that up to be paid out of the new loan.

Sometimes I help one of the divorcing parties buy his/her "moving on" residence. This often means the person exiting the marital home won't have to move twice.

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My product (cont'd)

Refinancing concurrent to divorce keeps children in their homes - avoiding further disruption to the kids' lives

Discuss capital gains implications - relevant to the conversation

Maintaining good credit during the process of divorce – brief discussion

Why this is unique

- *Family lawyers* don't understand how this can work so smoothly - and they are in the business!
- _____ people in Texas get divorced every year.
- Sometimes doing this loan concurrent to the divorce prevents one party's credit from tanking ... which means that person *might not qualify* after it's all over.

Considerations for the CDLP: (*not* part of the presentation, just for consideration)

- Steer clear of talking about interest rates and the normal mortgage lingo.
- In my opinion, this is *not* the time to show off what you know about the feds and how the industry has changed over the past 10 years blah blah blah ... this is more personal subject matter.
- I frequently refer to my ex as a "dirtbag" because it's not terribly mean and I don't even use his last name. Everyone can relate! I also frequently refer to him as a "High Conflict Individual" which I love because it's so coldly clinical. I stole that directly from someone else's website (with her permission).
- Discuss an actual case – how this worked well for real people.
- It's also useful to point out this process works for single-sex couples who own property.



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