

Housing Options After Divorce or Separation

Selling, Refinancing, or Transferring Ownership Explained

Step 1. Understand Your Current Situation

Before considering next steps, gather key details:

- Whose name is on the mortgage?
 - Whose name is on the deed/title?
 - What is the current mortgage balance?
 - What is the approximate market value of the home? (King County Assessor tools or realtor comparisons can help estimate this.)
 - Are there children or dependents whose housing stability is a factor?
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Step 2. Option 1 - Selling the Property

How it works: The home is listed on the market, sold, and the mortgage is paid off from the sale proceeds. Any remaining equity is usually divided between spouses as part of the divorce settlement.

Considerations:

- Will selling provide a clean financial break for both parties?
 - After realtor fees, taxes, and moving costs, what amount will remain?
 - Does either party have stable housing lined up after the sale?
 - Is the local housing market favorable for selling now?
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Step 3. Option 2 - Refinancing the Mortgage

How it works: One spouse keeps the home and refinances the mortgage in their name only, removing the other spouse from responsibility.

Considerations:

- Can the spouse keeping the home qualify for the new mortgage based on income and credit?
 - Will the new loan terms (rate, length, payment) be manageable long-term?
 - Are there refinancing costs, and can they be covered?
 - Does refinancing help preserve stability for children or family members?
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Step 4. Option 3 - Transferring Ownership Without Refinancing

How it works: Ownership may be transferred through a legal document (such as a quitclaim deed) as part of the divorce settlement, but the mortgage remains in both names unless refinanced.

Considerations:

- The spouse leaving the home may still be legally responsible for the mortgage if their name remains on the loan.
 - Does this arrangement create financial risk for the spouse no longer living in the home?
 - Is this a temporary step until refinancing or selling becomes possible?
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Step 5. Other Important Factors

- Taxes:** There may be capital gains or deductions depending on how the property is handled. Consult a tax professional.
 - Legal Agreements:** Divorce decrees and settlement agreements often dictate property division. Legal counsel is critical to formalize decisions.
 - Timing:** Sometimes households choose a temporary arrangement (e.g., delaying sale until children graduate school).
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Step 6. Resources in Washington State

- Washington LawHelp - Divorce & Property Division** 🖱️ washingtonlawhelp.org/issues/family-law/divorce-separation
- Northwest Justice Project (NJP)** - Free civil legal aid for eligible low-income residents 🖱️ nwjustice.org
- King County Family Court Services** - Parenting plans, mediation, and support in divorce cases 🖱️ kingcounty.gov/courts/superior-court/family

Step 7. Final Reminder

Every choice - selling, refinancing, or transferring ownership - has **benefits and risks**. What works for one family may not work for another. **KING COUNTY REAL ESTATE HELP does not recommend or endorse a specific option.** It is your responsibility to weigh the considerations and seek professional guidance before making a final decision.