

FIVE TIPS FOR PAYING OFF DEBT WITH YOUR PARTNER

Talk About Debt Before You Tie the Knot



Finances are only one aspect of a marriage, but they carry considerable weight in the development of a healthy, happy relationship now and in the future. Of all the conversations a soon-to-be married or recently wedded couple should have, a money talk is near the top of the list.

“In this day and age, it’s important to have conversations about money early on in order to prevent issues that might cause the couple to have marital stress down the road,” says Chitra Patel, a Premier Banker at SunTrust Bank, SunTrust Investment Services, Inc.

[See graphic below for an invitation to discuss Your finances.](#)

Talking about debt

While finances may not be the most exciting topic as you plan your life together, addressing money and debt concerns early might change the course of your marriage.

“The No. 1 reason for divorce is money,” Patel says. “Often people don’t ask about the other party’s finances before they get married, and that creates problems.”

A common scenario and point of contention in these financial conversations is debt, or the money owed to creditors, particularly if one party has debt and the other is debt-free.

Common sources of debt originate from business-related expenses, real estate investments, credit cards, and personal or student loans. Patel says marrying into debt is also a common issue in second marriages, when previously married partners have to pay alimony or child support related to their prior relationship.

Managing debt in marriage

Whatever the source of debt, disclosure is the first step toward dealing with it as a couple. The following five steps can help couples start the conversation and address debt together:

- 1. Put it all on the table:** First, take an honest, forthright approach to developing a list of each partner’s assets (including property) and liabilities. “Through that list you can identify what areas of risk there could be,” Patel says. “For example, if a partner has a business and they have debt they owe to suppliers that they’re not able to pay back, that could be a substantial amount of debt they’re bringing to the new relationship.”
- 2. Pay down debt together:** Patel says couples should jointly pursue strategies to overcome debt. For instance, if one partner has superior credit, that partner might consider adding his or her spouse to an existing credit card account—capitalizing on the good history one partner has earned to improve the other’s credit score. Transferring debt to the credit cards of the partner with superior credit also could help the couple pay down debt faster, since those cards likely have lower interest rates. Couples also can establish a shared budget that allows them to simultaneously pay down debt and manage spending behaviors.
- 3. Set shared financial goals:** Set goals—purchasing a home, raising a family, buying a car—and identify the steps you need to take to achieve them, Patel says. For example, if buying a house will require both partners’ income, it’s important to know each person’s credit score and to create an actionable plan for improving the weaker of the two so the couple can qualify for a mortgage with the best possible interest rate.
- 4. Seek professional help:** Money conversations can be minefields. Patel recommends turning to a financial advisor or a couple’s counselor to facilitate them. “Having a third party involved can really help ease the pain of dealing with uncomfortable discussions,” she says.
- 5. Sign a prenuptial agreement:** A common misconception about these agreements is they dictate only the terms of divorce. In reality, they also can dictate marriage terms. The agreement should specify what debts, assets and obligations should remain separate, such as alimony from a first marriage. That way, one spouse’s assets are protected from the other’s creditors. This is especially important in community property states, where either spouse’s creditors can claim income and assets that are considered “joint.”



TAGS

[Getting Married](#)[Marriage](#)[Prenuptial Agreement](#)[Relationship Change](#)

This article is general in nature and does not constitute legal, tax, or investment advice. SunTrust makes no warranties as to accuracy or completeness of this information, does not endorse any non-SunTrust companies, products, or services described here, and takes no liability for your use of this information.

You may also like.....

PLANNING AN ECO AND BUDGET FRIENDLY WEDDING

[How Going Green Can Save You Green](#)

INFOGRAPHIC: ARE YOU FACING 'SECOND PARENTHOOD'?

[We Break Down this Retirement Twist By the Numbers](#)

ARE YOU ON TRACK FOR RETIREMENT?



Our financial professionals will give you a second opinion on your plan

[MAKE AN APPOINTMENT](#)