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Federal Lender Code 834241

America's Top Student Loan Consolidator

175 South Lake Ave, Suite 200, Pasadena, California 91101

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Tips for Couples

As with most areas in a relationship where compromise is necessary, the same thing will be true of your finances. So you'll have to collectively decide a multitude of things concerning money.

You may decide whether to buy a house together, whether to pay off one party's debts first, whether or not to have a baby, or when one person in the relationship can quit his or her job to start a business. All of these conversations have one central thread: money is involved. And if you're in a relationship, I assume you don't make unilateral decisions about all of these weighty topics.

You'll probably also want to decide whether to have separate accounts. Personally, I think it's advisable to have three separate accounts: his, hers, and ours. Couples can pay joint bills out of the ours account, which is really used to cover household expenses and other collective bills. People with their own accounts (whether checking accounts or savings accounts) also enjoy three benefits:

- They get the freedom of spending, within reason, on the things they want. The strategy here is to put money into the joint account to fund all the household bills. And then each party can take an agreed-upon amount that's left over and put money into his or her own personal account. With the funds from such accounts, each party is free to spend on whatever he or she choose. No one has to ask for "permission" or get the other person's OK on spending choices.
- Another plus of having a separate account is that it teaches each person financial independence. You're solely responsible for balancing your own checkbook, or keeping up with the money in your savings account, and you don't abdicate that responsibility to your partner.
- Lastly, having three separate accounts is just a practical method of dealing with family finances for many couples – one that eliminates money battles and helps couples work together in a more cohesive, harmonious fashion.

If you really want to get married, go ahead and do so without worries about your fiance's bad credit, because the truth of the matter is that each individual's credit file and credit scores are maintained separately. Credit files do not get merged, even when two people marry. If a man with good credit is engaged to a woman with bad credit and large bills, the obligations that she had in the past are her legal and financial responsibility; not his.

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A word of warning however: If, after you get married, the two of you open up credit card accounts together or you get loans (e.g., mortgages, car notes, etc.) jointly, then you both would be responsible for paying off those debts. Also, information about those loans will be listed (separately) in each of your credit files. Even if you should later divorce, if joint accounts were involved, you'd both be on the hook to pay back those debts.

In the meantime, for those who are worried about property you may own before marriage, you can keep the house in your name, and then later (once your spouse cleans up his or her credit and is financially stable), you can add his or her name to the mortgage if you want to go that route. The overall effort should be to work together as a team. That's the best way to build a strong financial future – and you can do it faster with two people pulling in the same direction, as opposed to working at odds with each other.