

South East Community Legal Service Inc.

9 Penola Road

Mount Gambier SA 5290

ABN 11 320 043 645



The end of a relationship often leads to financial hardship, especially if you are supporting children with little or no help from your ex-partner or you have joint debts that your partner is unwilling or unable to help you pay.

You are not responsible for your partner's debts just because of your relationship, whether you are married or not. However, you may have become liable for his or her debts because you signed a loan contract as a joint borrower or guarantor, or because you were a director of a family company or a partner in a business.

In most cases you will not be able to get out of loan contracts you have made in the past, but you should get legal advice about this.

To protect your financial position when you separate see the following checklist of steps you may want to take to avoid worsening your financial situation-

Bank Accounts

Close any joint accounts. You may want to give some of the money from the closed joint accounts to your ex-partner, or use the money to pay joint debts.

Home and other joint loans

Notify the lender of the separation and of the future arrangements for paying the loan. Arrange for statements to be sent to you at your new address. If your home loan has a redraw facility or linked credit card account, write to ask the bank to stop these facilities. Keep a copy of your letter to the bank.

Credit Cards

If you have a joint credit card account, or your ex-partner has a second card on your credit card account, close the account if you are able to pay what is owed. If you cannot pay the account in full, write to the lender informing them of the separation and ask that no further credit be given on the account and keep a copy of the letter.

Utility Accounts

Transfer or disconnect telephone, electricity, gas and water if the accounts are in your name and you are moving out.

Rent and Board

If you are moving out of a rented premise you will need to negotiate with the landlord to be released from the rental agreement. Otherwise you could still be liable for rent after you leave. You may also have to apply to get your bond returned, or transferred.

Keep copies of all letters and documents.

Seek legal advice about your children, any family business and property settlements. If you are having problems with debts or dealing with banks, see a financial counsellor.

Property Settlement

Phone: (08) 87 236 236 (Local) or 1300 369 236 (Regional) Fax: (08) 87 236 232

E-Mail: southeast_sa@clc.net.au Website: secls.org.au



A property settlement is an agreement registered in a court between a couple that have separated or divorced about how their property should be divided between them.

If a couple cannot come to an agreement, a court has the power to make orders about how property should be divided.

Property settlements or court orders can be made between couples who are married or couples who were in a de facto relationship or same sex relationship.

If there are outstanding joint loans at the time of a property settlement, consider the following options:

- Ask your ex-partner to get another loan in his or her own name and pay out the existing joint loan.
- Sell any available property to pay out all joint loans.

Ideally, a property settlement will end all financial ties between you and your ex-partner and all outstanding joint debts will be repaid, or refinanced in the name of one partner only.

Time Limitations

Under the Family Law Act 1975 an action for a property settlement can be started any time after separation but must be commenced within 12 months after the divorce becomes absolute. Applications for a property settlement must be made within 2 years after the end of the de facto or same sex relationship. The time limit for making application under either Act can be extended only if there are special circumstances.

Important

If you are the director of a company or you have signed a contract of guarantee, get **legal advice**. If you are getting legal advice about property settlement, tell your legal advisor about all loans, contracts of guarantee and family business arrangements.

Financial Counsellors

Lifeline: (08) 8723 2299

Ac.care: (08) 8723 0540

Acknowledgment: Information provided by the Consumer Credit Legal Centre (NSW) and Macarthur Legal Centre (NSW).