



Caught in the Crunch:

Co-Habiting Homeowners Hit by Mortgage Crisis

Situation ImPOSSLQ

(Vienna, VA)—While the subprime mortgage crisis has global ramifications, one segment of the population that is being particularly hard hit is co-habiting unmarried homeowners. Known by the Census Bureau acronym as POSSLQ, or People of the Opposite Sex Sharing Living Quarters, these unmarried homeowners are discovering the hard way that they do not have the same legal rights as their married counterparts. According to the 2000 Census approximately 5% of all US households have elected to live in this household arrangement, and these numbers are increasing.

Attorneys at SmolenPlevy law firm in Vienna, VA note a sizeable increase in the number of POSSLQ homeowners affected by foreclosures and other subprime mortgage crisis issues. Many of these couples bought their homes with the attractive interest rates offered by lenders, only to be faced by complicated legal issues now that the rates have skyrocketed and foreclosure looms. SmolenPlevy attorney Kathryn Dickerson outlines some of the issues:

Whose house is it?—The couple bought the house together, but only one partner's name is on the mortgage and/or deed. This leaves the other partner with almost no rights and/or liabilities. The partner whose name is on the mortgage is the person responsible in the eyes of the mortgage company and the credit reporting bureaus for the timely payment of the mortgage, regardless of the agreements between the parties. If the house is foreclosed upon, that person's credit alone is affected.

Renters too? – The partner on the deed decides to bring in renters to assist with the escalating mortgage payments. The non-titled partner disagrees, but has no legal rights to stop it.

50-50 On The Mortgage, Until...—The couple had agreed that they will share the expenses of the home, but problems arise when one partner gets into financial trouble and stops contributing. The other partner has few options, as the court will not force either to pay the mortgage – especially if the mortgage is in the contributing party's name alone. Further, because they are not married, there is no spousal support which can be awarded to assist the person trying to save the house.

50-50 Until...Part 2—Both partners are on the deed to the house, but one partner gets into financial problems and stops paying. This could lead liens that have to be paid off upon the sale of the house. If there is not enough equity in the house to pay off the liens, then the selling partners must come to the table with money. Given the mounting debts, the debtor partner might find it difficult to come up with enough money to satisfy the lien upon sale of the house.

SmolenPlevy attorney Kathryn Dickerson is available to discuss and explain in easily comprehensible terms the legal issues facing POSSLQ homeowners caught in the ongoing mortgage crisis. For media interviews, please contact Marc Silverstein at 410 963-2345 or at marc@onthemarcmedia.com.

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