

Funding your divorce: What are the options?

There are various sources of funding available to both parties during the divorce process and it is essential that you make a decision on funding at the earliest opportunity. Within this guide we have highlighted a few different funding possibilities this should allow you to make informed decisions on one that will work for you. With our fixed fee divorce packages starting at just £350 + VAT, it might not be as much as you think.



Your own resources

You may be able to support the funding for the divorce with your own resources.

Savings: If you have access to a savings account, this can be a simple and effective way to support your divorce proceedings. As a way of accessing money quickly, this can help speed up your divorce proceedings.

Income: If your income exceeds your outgoings, you may wish to use the left-over cash to fund your divorce. It may be that you have to cut down on your outgoings and budget more carefully in order to have extra money available to put towards your legal fees.

Disposing of your assets: If you are considering disposing of any assets to help with funding then we would advise you to speak with one of our specialist family solicitors as this could be seen by the court as an attempt to put assets beyond the reach of your spouse.

Soft loans from family or friends: If your friends or family were in a position to offer you a loan, this would be classified as a soft loan and is often treated as a gift. Soft loans are not obliged to be paid back by the individual. A soft loan is usually interest free and has no fixed date to be paid back. The option of a soft loan may be appealing for individuals who have a poor credit rating and may struggle to secure any formal borrowings.

From a third party source

Credit Card: Depending on the cost of your divorce you may wish to use a credit card, low interest rates may be available on a short term basis. You should consider this carefully as low interest rates can quickly revert to higher interest rates.

A personal loan: A personal loan can be obtained from a high street bank; rates will be dependent upon the circumstances. The loan will be for a fixed period. Availability for a personal loan is highly dependent upon the individual's ability to repay on a capital and interest basis from surplus income or other capital.

Maintenance during the court proceedings

Sometimes known as interim maintenance, this is where one spouse applies to the court for maintenance from the other party whilst court proceedings are ongoing. In order for a spouse to apply for maintenance, a divorce and financial relief must have been issued.

A partner must be able to demonstrate to the court that there is a shortage in their monthly earnings that can be made up by their opposing partner making monthly maintenance payments.

Insurance

We would recommend that you look over your current insurance documents as you should not overlook the possibility that the cost of defending any legal proceedings is covered by an existing insurance policy.

Legal insurance is often sold as an added extra, however; it would be worth reviewing your insurance cover to double check.

Litigation Loans

A litigation loan is a formal loan put in place by the bank in order to help fund the proceedings. Qualification for a loan will be dependent upon the lenders criteria and can be assessed upon an individual's financial position during the court process.

At the conclusion of the case, the lender will be responsible for the loan as they would a personal loan or overdraft. The liability of the loan is also taken into account as part of any settlement.

Pay at the conclusion of your case

You may be able to agree with your solicitor to pay costs at the end of the process, this only applies if there is capital to be distributed between both parties which is not accessible until the end of the case.

If you choose this option, costs will need to be carefully monitored to ensure that they can be met from the eventual settlement.

Public Funding

Legal Aid is still available for certain types of family matters. We would advise you to speak with a specialist family solicitor who will be able to inform you if you qualify for legal aid assistance.

If your relationship has broken down, we would recommend you to discuss your options and possible funding with a specialist family divorce solicitor who will be able to put your mind at ease during this uncertain time. We can offer you a **FREE** Assessment Information Meeting or an AIM which will identify all of the options available to you.



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If you are considering getting a divorce contact one of our expert solicitors who will give you specialist advice on the divorce process:

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