

Everyday Cheapskate: Marital trust account should provide financial confidence

by *Mary_Hunt*

Dear Mary: My husband and I have been married for 40 years. We are debt-free. Our bills, major purchases, house and bank accounts always have been in both names. Recently, he came into a substantial inheritance. He opened a savings account and put it in his name only. He thinks I should not be concerned about it, because he put me as beneficiary. I am upset about this and feel it should be in both names because everything else is. I think he is going to start making foolish purchases because, as he says, "It's my money." Should I worry about this? Legally, isn't it my money, too? -- Susann, California

Dear Susann: While I am not an attorney, my understanding is that property inherited by one spouse is not community property in California. The law is clear that inherited property is "separate property." Provided your husband does not commingle these funds in a shared account, his inheritance remains his property alone. You say you've been married for 40 years, so surely you've come to trust your husband by now to have your collective best interest in mind. It appears to me that you have done things right financially. My advice is that you draw on that trust, relax and enjoy the next season of your lives. From what you've told me, I don't think you have a thing to worry about.

Dear Mary: I have read your column every day since I was a freshman in college. My husband and I are hoping to become first-time homebuyers soon. An acquaintance mentioned that she and her husband are going through an organization called Neighborhood Assistance Corporation of America (www.NACA.com), a program that can assist you and help you find a low interest rate. I've researched it and read through its entire Web site. It sounds pretty wonderful, but is it too good to be true? What is your take on this organization? -- Allison, Texas

Dear Allison: I do not have firsthand experience with this organization. However, I've had lots of feedback from other readers. NACA specializes in helping people who've been victims of subprime lenders to renegotiate their loans. It also helps potential buyers with low credit scores and few resources to buy homes. If you are unable to buy using traditional methods, perhaps you should consider NACA.

However, I recommend you seek the services of a well-seasoned, highly recommended Realtor. Realtors who have survived the housing crunch are the cream of the crop. You can count on them to have knowledge of the best financing available for you.

Let me caution you not to get sucked into a no-down-payment or "creative" type of financing. You want a 30-year fixed-rate mortgage, and you should contribute 20 percent of your own money to the purchase price. That way, you will go into the deal actually owning something. It's a great time to buy a house now that prices have dropped substantially. I wish you the very best as homeowners. Thanks for being such a longtime, loyal reader.

Do you have a question for Mary? E-mail her at mary@everydaycheapskate.com, or write to Everyday Cheapskate, P.O. Box 2135, Paramount, CA 90723. Mary Hunt is the author of 17 books, including "Debt-Proof Living."

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