

Your Financial Life

Choose a topic

-  Your financial firsts
-  Your home
-  Your children
-  Your relationship
-  Your small business

 Tweet  Recommend 0  Share  12

Breaking a lease after breaking up

September 4, 2015

6 tips to make a clean financial break.

Cohabitation is on the rise: 8 million unmarried couples live together, according to the latest U.S. Census data cited by [CBSBoston.com](#) — which the Council on Contemporary Families estimates is [nearly a 900 percent increase](#) compared to 50 years ago.

While moving in together is a long-term step for many, a National Center for Health Statistics' [premarital cohabitation study](#) found that 27 percent of couples who live together eventually break up.

Ending a relationship is never easy, but factor in shared possessions and a co-signed lease, and as the song says, breaking up can be hard to do. If you find yourself in this situation, these 6 tips can help you minimize the financial fallout:

- 1. Review your lease carefully:** Your lease is a binding contract, so your first step is to thoroughly review its terms and conditions to understand your obligations as co-signers. For example, if you terminate your lease early, will you lose your deposit or remain required to pay the monthly rent even if you move out? Check your [state's law](#) on Nolo.com to see how you can legally limit your liability.


Remember: Breaking a lease may not be your best option. It will cost you financially, and if you don't pay for the remaining months of your lease, your landlord could engage a collection agency, which could damage your credit score and hurt your chances of finding another apartment. In short, it's important to weigh all the pros and cons before making a decision.

Related: [5-part video series: All about your credit score](#)







- 2. Go or no-go:** Armed with an understanding of your rights and obligations, try to have an amicable discussion with your ex to decide who will stay and who will move out. Or, ask yourselves if you could continue to live together as non-romantic roommates until the end of the lease. According to a [Rent.com survey](#), 61 percent of renters who ended a relationship were able to live together for a month or more, and a quarter of couples decided to stay put because they couldn't agree who should leave. Just be sure to discuss and agree on the other financial obligations you'll have, such as splitting utilities and cable and purchasing your own groceries.
- 3. Enlist your landlord's help:** You want to give your landlord plenty of notice if one or both of you decide to break the lease. Your landlord may know how to manage this scenario and may even help find you a roommate. In fact, according to Rentlaw.com, it's up to the tenant *and* the landlord to make [good faith efforts to find a new renter](#). Nolo.com suggests trying to work out a [written agreement](#) with your landlord that cancels your lease and allows you to leave early in exchange for an extra month's rent or another concession, such as paying for painting the apartment.
- 4. Re-rent, don't sublet:** If you or your ex have found someone to move into your apartment, [Zillow](#) recommends asking the landlord to draft a new lease agreement. This is called [re-renting](#) and requires the new tenant to sign a lease and put down a security deposit. In contrast, [subletting](#) continues to make you and your ex responsible should the new renter cause any damage or fail to pay rent, says FindLaw.com.
- 5. Secure your security deposit:** You shouldn't count on using your [security deposit](#) as your last month's rent, according to Rentlaw.com. Before either of you move out, insist on a walk-through with the landlord, take photos of the apartment's condition, sign and date them, and agree to any costs for damage considered above [normal wear and tear](#). Be sure to leave your landlord a forwarding address. Nolo.com says your landlord should return your security deposit to you according to your state's law and deadlines or you may need to write a [demand letter](#).
- 6. Take a different approach next time:** In the future, if you start thinking about moving in with the person you're dating, you may want to consider hashing out what each of you will owe if you decide to end the relationship *before* you sign a lease. (Seventeen percent of couples who broke up while living together said they'd put something in writing next time, according to [Rent.com](#).) Nolo.com says the courts have previously ruled that a [pre-cohabitation agreement](#) — one that defines how money and property will be combined, and how household expenses will be funded — is considered an enforceable contract.

 Tweet  Recommend 0  Share  12

[Back](#)

 **Call us 1-888-482-3781**
Mon-Thu 8 a.m.-7 p.m. (CT)
Fri 8 a.m.-6 p.m. (CT)
Sat 8 a.m.-1 p.m. (CT)

You might also like

- [Is buying a vacation home right for you?](#) 
- [5 tips to help you score the best sale price on your home](#) 
- [6 ways to reduce turnover costs and keep top talent](#) 
- [Fixed vs. Adjustable: Which one should you choose?](#) 
- [Could a refi be right for you?](#) 
- [4 ways your HELOC could help with hefty expenses](#) 

Notice to Customers

To help the government fight the funding of terrorism and money laundering activities, federal law (USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001) requires all financial organizations to obtain, verify and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask you to provide a copy of your driver's license or other identifying documents. For each business or entity that opens an account, we will ask for your name, address and other information that will allow us to identify the entity. We may also ask you to provide a copy of your certificate of incorporation (or similar document) or other identifying documents. The information you provide in this form may be used to perform a credit check and verify your identity by using internal sources and third party vendors. If the requested information is not provided within 30 calendar days, the account will be subject to closure.

[Third party web sites](#) may have privacy and security policies different from BMO Harris. Links to other web sites do not imply the endorsement or approval of such web sites. Please review the privacy and security policies of web sites reached through links from BMO Harris web sites.

BMO Harris Premier Services represents a combined service approach of BMO Harris Financial Advisors and BMO Harris Bank, each a part of BMO Financial Group.

Securities, investment advisory services and insurance products are offered through BMO Harris Financial Advisors, Inc. Member [FINRA](#) [SIPC](#). SEC-registered investment adviser. BMO Harris Financial Advisors, Inc. and BMO Harris Bank N.A. are affiliated companies. Securities and insurance products offered are: **NOT FDIC INSURED – NOT BANK GUARANTEED – NOT A DEPOSIT – MAY LOSE VALUE.**

This information is not intended to be tax or legal advice. This information cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This information is being used to support the promotion or marketing of the planning strategies discussed herein. BMO Harris Bank N.A. and its affiliates do not provide legal or tax advice to clients. You should review your particular circumstances with your independent legal and tax advisors.